

**ORIGINAL**

Decision No. 75182

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Elwood H. Horton and Harold H. )  
Newsom, a partnership, doing )  
business as, Contra Costa Delivery )  
Service, to transfer assets and )  
liabilities and a Certificate of )  
Public Convenience and Necessity, )  
and )  
Louis J. Vallas and Albert L. )  
Serafino, Jr., a partnership, )  
doing business as Gemini )  
Transportation Co., to transfer )  
assets and liabilities, )  
and )  
Gemini Transportation Co., a )  
corporation, to acquire said )  
operating rights, and assets, )  
assume liabilities, issue )  
capital stock and for Gemini )  
Transportation Co. to operate )  
under temporary authority. )

Application No. 50733  
Filed December 9, 1963

O P I N I O N

This is an application for an order of the Commission  
(1) authorizing Elwood H. Horton and Harold H. Newsom, partners  
doing business as Contra Costa Delivery Service, to lease  
temporarily and transfer to Gemini Transportation Co., a corpo-  
ration, their highway common carrier certificate of public  
convenience and necessity together with related assets, and (2)

authorizing the latter to assume liabilities and to issue 1,000 shares of its \$10 par value capital stock in acquiring said assets together with those of Louis J. Vallas and Albert L. Serafino, Jr., partners doing business as Gemini Transportation Co.

Elwood H. Horton and Harold H. Newsom, partners doing business as Contra Costa Delivery Service, conduct operations as a highway common carrier of general commodities, with certain exceptions, between East Bay points, San Francisco, South San Francisco, Vallejo, Port Chicago, Antioch, Stockton, Lodi, Pleasanton, Tracy, San Lorenzo, Hayward and intermediate points and off route points within three miles of the highways involved. By Decision No. 60989, dated November 1, 1960, in Application No. 42438, the Commission granted a certificate of public convenience and necessity defining said operations more specifically. In addition the partners perform permitted carrier operations subject to the jurisdiction of this Commission, and also operate under the jurisdiction of the Interstate Commerce Commission.

Louis J. Vallas and Albert L. Serafino, Jr., partners doing business as Gemini Transportation Co., operate under the jurisdiction of the Interstate Commerce Commission as a common carrier by motor vehicle over irregular routes between the San Francisco International Airport and points in Contra Costa

County. In addition such partners perform permitted carrier operations subject to the jurisdiction of this Commission.

In exchange for \$10,000 aggregate par value of its capital stock, Gemini Transportation Co., a California corporation organized on or about November 12, 1968, proposes to acquire the assets, subject to the liabilities, of Elwood H. Horton and Harold H. Newson, partners doing business as Contra Costa Delivery Service, and of Louis J. Vallas and Albert L. Serafino, Jr., partners doing business as Gemini Transportation Co.

The reported assets and liabilities of the two partnerships and a combination thereof, as of September 30, 1968, are summarized from portions of Exhibit C, attached to the application, as follows:

	<u>Contra Costa Delivery Service</u>	<u>Gemini Transportation</u>	<u>Combined</u>
<u>Assets</u>			
Cash	\$ 6,310	\$ 2,199	\$ 8,509
Accounts receivable	6,941	19,134	26,125
Material and supplies	314		314
Other current assets	1,574	2,366	3,940
Fixed assets - net	<u>17,413</u>	<u>15,666</u>	<u>33,084</u>
Total	<u>\$32,557</u>	<u>\$39,415</u>	<u>\$71,972</u>
<u>Liabilities</u>			
Current liabilities	\$14,305	\$26,309	\$40,614
Long-term liabilities	5,062	12,404	17,466
Net worth	<u>13,190</u>	<u>702</u>	<u>13,892</u>
Total	<u>\$32,557</u>	<u>\$39,415</u>	<u>\$71,972</u>

Pending final approval of related transfers by the Interstate Commerce Commission, Elwood H. Horton and Harold H. Newsom, partners doing business as Contra Costa Delivery Service, desire authority to lease temporarily their intrastate highway common carrier certificate of public convenience and necessity, together with related properties, to Gemini Transportation Co., a corporation, for a rental of \$50 per month or fraction thereof.

After consideration the Commission finds that: (1) the proposed transactions would not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The action taken herein shall not be construed as a finding of the value of the properties to be transferred. So far as the rights are concerned the authorization herein granted is for the lease and transfer of the intrastate highway common carrier certificate of public convenience and necessity only. Any lease or transfer of permitted operative rights must be the subject of a separate application or applications.

O R D E R

IT IS ORDERED that:

1. On or after the date hereof and on or before

December 31, 1969, Elwood H. Horton and Harold H. Newsom may sell and transfer, and Gemini Transportation Co., a corporation, may purchase and acquire, the intrastate highway common carrier certificate of public convenience and necessity and related assets referred to in the application. The sale and transfer may be made effective as of December 31, 1968, for accounting purposes.

2. Elwood H. Horton, Harold H. Newsom and Gemini Transportation Co., a corporation, may enter into a Lease of Operating Rights and Property in the same form, or in substantially the same form, as that attached to the application as Exhibit B-1. For accounting purposes the lease may be made effective as of December 31, 1968.

3. Gemini Transportation Co., a corporation, on or after the date hereof and on or before December 31, 1969, for the purpose specified in this proceeding, may assume the liabilities and obligations referred to in the application, and may issue not exceeding 1,000 shares of its \$10 par value capital stock.

4. Gemini Transportation Co., a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

5. Within thirty days after the consummation of the transfer herein authorized, Gemini Transportation Co., a corporation, shall notify the Commission, in writing, of that fact

and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

6. If Gemini Transportation Co., a corporation, exercises authority granted by Ordering Paragraph No. 2 hereof, on not less than five days' notice to the Commission and to the public it shall amend the tariffs on file with the Commission naming rates and rules governing the common carrier operations herein to reflect the authorized lease arrangement.

7. Gemini Transportation Co., a corporation, shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not earlier than thirty days after the date of this order on not less than thirty days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-A. Failure to comply with and observe the provisions of General Order No. 80-A may result in a cancellation of the operating authority acquired pursuant to this decision.

8. On or before the end of the third month after commencing operations under authority herein granted, Gemini

Transportation Co., a corporation, shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of Elwood H. Horton and Harold H. Newsom, partners doing business as Contra Costa Delivery Service, for the period commencing with the first day of the current year to and including the effective date of the lease (or transfer if no lease occurs), if such date for accounting purposes is other than December 31, 1968.

9. The effective date of this order is the date hereof.

Dated at San Francisco, California, this  
7th day of JANUARY, 1969.

William Lyons Jr.  
President

Augustin

Paul P. Monnssey

Commissioners