

ORIGINAL

Decision No. 75759

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION)
)
 OF)
)
 JET AIR FREIGHT)
)
 FOR AN ORDER FOR THE EXCHANGE OF)
 SECURITIES AND TO ACQUIRE ALL OF)
 THE OUTSTANDING SHARES OF ACCURATE)
 CARTAGE AND WAREHOUSING, INC.)

Application No. 51073
Filed May 12, 1969

O P I N I O N

Jet Air Freight requests an order of the Commission authorizing it to acquire all the issued and outstanding shares of capital stock of Accurate Cartage and Warehousing, Inc.

Applicant is a California corporation operating as a public utility freight forwarder subject to the jurisdiction of this Commission pursuant to the certificate of public convenience and necessity granted by Decision No. 73233, dated October 24, 1967, as amended by Decision No. 73744, dated February 20, 1968, in Application No. 49326. The company's California operations constitute a minor portion of its nationwide and international activities. Decision No. 72959, dated August 22, 1967, in Applications Nos. 49615 and 49616 exempts the utility's security issues from the Commission's jurisdiction.

Accurate Cartage and Warehousing, Inc. is a California corporation organized on or about October 24, 1967. It operates

under the jurisdiction of this Commission as a radial highway common carrier and, according to the application filed in this proceeding, such company is engaged also in the business of private contract warehousing with rented facilities in San Francisco and Los Angeles. In Application No. 51084, filed on May 19, 1969, the corporation seeks authority to purchase an operative right which would enable it to conduct public utility warehouseman operations in San Francisco.

For the year 1968 the consolidated statement of earnings of Jet Air Freight and Subsidiaries, filed in this proceeding, shows sales and operating revenues aggregating \$25,507,134 and net earnings of \$437,622. The corresponding balance sheet as of December 31, 1968, shows total assets of \$5,262,845 offset by liabilities and stockholders' equity in respective amounts of \$3,234,016 and \$2,028,829. For the eight months ended November 30, 1968, Accurate Cartage and Warehousing, Inc. reports gross revenues of \$534,461 and a net income of \$64,718. Its reported total assets at November 30, 1968, amounting to \$197,140 are offset by liabilities and stockholders' equity in respective amounts of \$128,378 and \$68,762.

Applicant proposes to issue shares of its common stock without par value in exchange for all the issued and outstanding stock of Accurate Cartage and Warehousing, Inc., which stock consists of 1,000 shares of the par value of \$1 each. According to the application, the transaction is intended to be a "Reorganization" as defined in Section 368(a)(1)(B) of the Internal Revenue Code of 1954, as amended, and the resulting control will enable applicant to expand its own trucking services

and capabilities. The utility points out that the warehousing facilities of the contemplated subsidiary are located in areas of the State of California which are the largest air freight market places, and in which applicant maintains its California offices.

After consideration the Commission finds that the acquisition by Jet Air Freight of all the issued and outstanding shares of capital stock of Accurate Cartage and Warehousing, Inc. will not be adverse to the public interest. A public hearing is not necessary.

On the basis of the foregoing finding we conclude that the application should be granted. Nothing in this decision shall be construed as indicating the action the Commission will take with respect to said Application No. 51084.

ORDER

IT IS ORDERED that Jet Air Freight may acquire all of the issued and outstanding shares of capital stock of Accurate Cartage and Warehousing, Inc. in accordance with the Plan of Reorganization and Agreement made as of March 17, 1969, a copy of which is attached to the application as Exhibit No. 1.

The effective date of this order is the date hereof.

Dated at San Francisco, California,
this 10th day of JUNE, 1969.

William J. J. J. J.
President

David P. J. J. J.
V. J. J. J.

John J. J. J.
Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.