

ORIGINAL

Decision No. 78114

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 COAST DRAYAGE, a corporation, to)
 issue certificates representing)
 487 shares of its \$100 par value)
 capital stock.)

Application No. 52327
 Filed November 25, 1970

O P I N I O N

Coast Drayage seeks an order of the Commission authorizing it to issue certificates representing 487 shares of its \$100 par value capital stock.

Applicant is a California corporation engaged in the transportation of general commodities, with certain exceptions, in portions of central California pursuant to highway common carrier certificates of public convenience and necessity. The carrier also conducts operations as a radial highway common carrier and a highway contract carrier.

The application shows that Arrow Trucking Company and Commercial Drayage Company are nonutility California corporations having the same sole stockholder as Coast Drayage.

Arrow Trucking Company and Commercial Drayage Company propose to merge into Coast Drayage pursuant to an Agreement of Merger whereby all the outstanding capital stock of the first two

corporations would be converted into 487 shares of the \$100 par value capital stock of applicant. Coast Drayage seeks authority to issue certificates representing 487 of its shares reflecting such conversion.

A balance sheet for each of the three corporations at June 30, 1970, and as adjusted to give effect to the proposed merger, is summarized from the application, as follows:

	<u>Coast Drayage</u>	<u>Commercial Drayage Company</u>	<u>Arrow Trucking Company</u>	<u>Adjustments Increase or (Decrease)</u>	<u>Pro Forma</u>
<u>Assets</u>					
Current assets	\$155,475	\$ 2,098	\$ 516	\$	\$158,089
Property, less depreciation reserve	124,581	24,824	2,810		152,215
Other assets	<u>40,832</u>	<u>91,037</u>	<u>105,476</u>	<u>(192,732)</u>	<u>44,613</u>
Total	<u>\$320,888</u>	<u>\$117,959</u>	<u>\$108,802</u>	<u>\$(192,732)</u>	<u>\$354,917</u>
<u>Liabilities</u>					
Current liabilities	\$ 75,375	\$ 420	\$ 8	\$	\$ 75,803
Equipment obligations	41,854				41,854
Other liabilities	149,200		43,532	(192,732)	
Capital stock	25,000	50,000	25,000	(26,300)	73,700
Paid in surplus				134,101	134,101
Retained earnings	<u>29,459</u>	<u>67,539</u>	<u>40,262</u>	<u>(107,801)</u>	<u>29,459</u>
Total	<u>\$320,888</u>	<u>\$117,959</u>	<u>\$108,802</u>	<u>\$(192,732)</u>	<u>\$354,917</u>

After consideration the Commission finds that: (1) the money, property or labor to be procured or paid for by the issue of the stock certificates herein authorized is reasonably required for the purpose specified herein, and (2) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein given is not to be construed as a finding of the value of applicant's stock or properties.

O R D E R

IT IS ORDERED that Coast Drayage may issue certificates representing 487 shares of its \$100 par value capital stock for the purpose of reflecting the conversion of all of the outstanding capital stock of Arrow Trucking Company and Commercial Drayage Company in accordance with the terms and provisions of the Agreement of Merger, a copy of which is attached to the application as Exhibit A.

The effective date of this order is the date
hereof.

Dated at San Francisco, California,
this 22nd day of DECEMBER, 1970.

J. P. Sullivan
Chairman

Augusta

William S. Jones Jr.

John P. ...

Deborah L. Sturgeon
Commissioners