

ORIGINAL

Decision No. 80533

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of CONTAINERFREIGHT CORPORATION,	)	
a corporation, to acquire and	)	
RAYMOND M. VELTMAN, an individual,	)	Application No. 53523
to sell all of the issued and	)	(Filed August 10, 1972)
outstanding shares of capital	)	
stock of OVERLAND TERMINAL	)	
WAREHOUSE COMPANY, a corporation.	)	

O P I N I O N

As required by Section 854 of the California Public Utilities Code, Containerfreight Corporation seeks an order of the Commission authorizing it to acquire control of Overland Terminal Warehouse Company.

Containerfreight Corporation is a California corporation incorporated on June 25, 1968. It is a holding company owning all of the issued and outstanding stock of Hills Transportation Co., Publishers Motor Transport and Containerfreight Transportation Company, all being California corporations. The consolidated statement of operations, attached to the application, shows operating revenues and net income amounting to \$1,453,447 and \$29,159, respectively, for the first six months of 1972. The June 30, 1972 consolidated balance sheet of Containerfreight Corporation and subsidiaries, attached to the application, is summarized as follows:

Assets

Current assets	\$ 483,029
Net operating property and equipment	477,608
Other assets	<u>611,874</u>
Total	<u>\$1,572,511</u>

Liabilities

Current liabilities	\$ 571,537
Long-term equipment purchase contracts	121,222
Deferred credits	28,038
Stockholders' equity	<u>851,714</u>
Total	<u>\$1,572,511</u>

Publishers Motor Transport is engaged in business as a lessor of trucking equipment and real property, and Containerfreight Transportation Company is engaged in business as a lessor of trucking equipment. Hills Transportation Co. operates as a motor carrier of property under the fictitious name of Containerfreight. The latter operates under the jurisdiction of this Commission as a radial highway common carrier and a highway contract carrier, and also as a public utility highway common carrier pursuant to the certificate of public convenience and necessity granted by Decision No. No. 59937, dated April 19, 1960, in Application No. 41308, as amended by Decisions Nos. 62196, dated June 27, 1961, and 80171, dated June 20, 1972, in Application No. 43040. In addition, the carrier operates under the jurisdiction of the Interstate Commerce Commission.

Overland Terminal Warehouse Company is a California corporation incorporated on May 26, 1964 under the name of Veltman Warehouse Co. By amendment of Articles of Incorporation on September 3, 1971, its name became Overland Terminal Warehouse Company. The corporation operates as a public utility warehouseman in the City of Los Angeles pursuant to the certificate of public convenience and necessity granted by Decision No. 78795, dated June 15, 1971, as amended by Decision No. 79633, dated January 25, 1972, in Application No. 52606. In addition, the company operates as a radial highway common carrier and a highway contract carrier under permits issued by this Commission. For the first six months of 1972, the corporation reports total revenues of \$465,938 segregated between freight operations, utility warehouse operations and nonutility warehouse operations in respective amounts of \$147,529, \$278,390 and \$39,519. Its total reported assets amounting to \$175,919 as of June 30, 1972, are offset by current liabilities and equity in the amounts of \$91,515 and \$84,404, respectively.

Containerfreight Corporation proposes to issue and deliver to Raymond M. Veltman 20,000 shares of its \$1 par value common stock and transferable warrants entitling the holder thereof to purchase up to an additional 7,500 shares of such stock over a period of three years at a cash price of \$5 per share. Raymond M. Veltman is the owner of all the issued and outstanding capital stock of Overland Terminal Warehouse Company, which stock consists of 270 shares of \$50 par value common stock aggregating \$13,500 par value. He would sell and transfer the shares to Containerfreight Corporation in exchange for said shares and warrants.

By designating Containerfreight Corporation and Overland Terminal Warehouse Company as CFC and OTW, respectively, the verified application justifies the proposed transaction, as follows:

"CFC, through its operating subsidiaries, provides numerous freight handling and distribution services on both domestic and international cargo. CFC specializes in developing concepts of integrated freight services to better serve shippers and consignees and then acquiring the facilities, equipment and personnel necessary to provide such services. CFC intends to combine its own services with those provided by OTW so as to offer a superior overall program to the customers of both OTW and CFC."

Effective March 4, 1972, Section 354 became a part of the California Public Utilities Code, and reads as follows:

"No person or corporation, whether or not organized under the laws of this State, shall, after the effective date of this section, acquire or control either directly or indirectly any public utility organized and doing business in this State without first securing authorization to do so from the commission. Any such acquisition or control without such prior authorization shall be void and of no effect. No public utility organized and doing business under the laws of this State shall aid or abet any violation of this section."

After consideration the Commission finds that the proposed acquisition of control of Overland Terminal Warehouse Company by Containerfreight Corporation would not be adverse to the public interest and concludes that it should be authorized. A public hearing is not necessary. The action taken herein shall not be construed as a finding of the value of any stock of Overland Terminal Warehouse Company.

O R D E R

IT IS ORDERED that Containerfreight Corporation, on or after the date hereof and on or before December 31, 1972, may acquire control of Overland Terminal Warehouse Company.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 26<sup>th</sup> day of SEPTEMBER, 1972.

Vernon L. Sturgeon  
President  
W. J. [unclear]  
[unclear]  
[unclear]  
[unclear]  
Commissioners