

af

Decision No. 82025

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ALLTRANS INCORPORATED, a California
corporation, for authority to
purchase the stock of VICTORY
TRANSPORTATION SERVICE, INC.

Application No. 54278
(Filed August 27, 1973)

O P I N I O N

Applicant Alltrans Incorporated (Alltrans) requests authority to purchase all of the issued and outstanding stock of Victory Transportation Service, Inc. (Victory), which holds a highway common carrier certificate of public convenience and necessity granted by Decision No. 77270 dated May 22, 1970 as well as radial highway common and highway contract carrier permits. Alltrans also intends to purchase all of the stock of Champion Leasing Co. (Champion), a lessor of trucks which does not require Commission authority. Alltrans owns all of the issued and outstanding stock of Alltrans Express California, Inc., which holds common carrier certificates issued by the Commission. Ernest L. Burkhardt (Burkhardt) and James H. Blackstone (Blackstone) (collectively sellers), owners of all of the issued and outstanding stock of both Victory and Champion, join in the application to request approval of the sale and transfer.

The sales agreement attached to the application shows that the purchase price to be paid for the Victory stock to be \$320,000 and that for the Champion stock to be \$100,000, each to be paid on differing installment terms. As separate consideration for the sellers agreeing not to enter into a competing line of business for a period of six years, Alltrans has agreed to pay Burkhardt \$7,000 per year for six years and to pay Blackstone \$3,000 per year for six years. Sellers agree to remain in the employment of Victory,

Champion and/or Alltrans for three years at a \$25,000 per year salary for Burkhardt and a \$19,000 per year salary for Blackstone. As of July 31, 1973 Alltrans had a reported net worth of \$2,358,405.

Champion, which leases trucking equipment to Victory and others, and Victory reported a gross operating revenue of \$1,133,068 for the first six months of 1973.

In support of the application, applicants state that while Victory's operations have expanded and the revenue has increased, Victory has not had the working capital with which to acquire the personnel and facilities essential for the continuation of such expansion. Alltrans has the financial capacity and the resources with which to provide all necessary facilities and personnel. Furthermore, Alltrans will be able to substantially decrease the operating expenses of Victory because of its larger purchasing capacity and by reason of its ability to better utilize Victory's facilities. Victory is performing a needed and useful service for the public and it is in the public interest that this service be continued and be afforded the enlarged facilities and personnel as such become necessary.

The application was noticed in the Commission's Daily Calendar of August 31, 1973. No objections to the granting of the application have been received.

After consideration the Commission finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment and that the proposed transaction will not be adverse to the public interest and that the application should be granted. A public hearing on the matter is not necessary.

Nothing in this decision shall be construed as a finding of value of the capital stock or properties, either tangible or intangible, of Victory, nor as authority to deviate from the prescribed Uniform System of Accounts.

O R D E R

IT IS ORDERED that Alltrans Incorporated may assume control of Victory Transportation Service, Inc., through the purchase of all of the latter's issued and outstanding capital stock.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 24th day of OCTOBER, 1973.

Thomas L. Stearns
President
William J. Sykes
John J. [illegible]
[illegible]
[illegible]
Commissioners