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Decision No. 82253

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of:)

ALLYN TRANSPORTATION COMPANY, a)
corporation, to issue shares of)
its common capital stock and to)
assume indebtedness, pursuant to)
Sections 816-830 of the)
California Public Utilities)
Code.)

Application No. 54469
(Filed November 28, 1973)

O P I N I O N

Allyn Transportation Company seeks authority to issue certificates representing not exceeding 49,706 shares of its \$1 par value capital stock in exchange for certificates representing all the outstanding shares of capital stock of Colbro Corporation, and to assume liabilities of the latter, all in connection with a proposed statutory merger.

Applicant is a California corporation operating under the jurisdiction of this Commission as a highway common carrier, a petroleum irregular route carrier, a radial highway common carrier and a highway contract carrier. In addition, the carrier operates under the jurisdiction of the Interstate Commerce Commission. For the first six months of 1973, it reports operating revenues amounting to \$3,626,997.

Colbro Corporation is a California corporation engaged principally in the business of leasing motor vehicle equipment to applicant. For the first six months of 1973, it reports rental income amounting to \$309,675. The controlling stockholders of both corporations are W. J. Collinge and D. A. Collinge.

Pursuant to a proposed Agreement of Merger, a copy of which is attached to the application, Colbro Corporation would merge into Allyn Transportation Company. Upon the effective date of the merger, each of the 88,025 shares of outstanding capital stock of Colbro Corporation would be converted into .56468 of one share of applicant's capital stock.

A pro forma balance sheet reflecting the proposed merger, and based principally upon the June 30, 1973 balance sheets attached to the application, is as follows:

<u>Assets</u>	
Current assets	\$1,055,900
Fixed assets - net	1,028,481
Other assets	<u>88,756</u>
Total	<u>\$2,173,137</u>

<u>Liabilities</u>	
Current liabilities	\$ 765,333
Long-term equipment obligations	523,671
Capital stock	118,373
Paid in surplus	56,604
Retained earnings	<u>709,156</u>
Total	<u>\$2,173,137</u>

Applicant proposes to issue certificates representing 24,853 shares of its \$1 par value capital stock to each of the two shareholders of Colbro Corporation in order to reflect the conversion of shares of the latter corporation into shares of the surviving corporation.

After consideration the Commission finds that:

1. The proposed transactions would not be adverse to the public interest.
2. The proposed issue of stock certificates would be for a proper purpose.
3. The money, property or labor to be procured or paid for by the stock certificates herein authorized is reasonably required for the purpose specified herein, which 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 granted 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:

1. Allyn Transportation Company may issue certificates representing not exceeding 49,706 shares of its \$1 par value capital stock to W. J. Collinge and D. A. Collinge in exchange for certificates representing all the outstanding shares of capital stock of Colbro Corporation, all in accordance with an Agreement of Merger in substantially the form attached to the application as Exhibit A.
2. Allyn Transportation Company may assume the liabilities of Colbro Corporation as an incident to a statutory merger of the two corporations.
3. Allyn Transportation Company shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

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

Dated at San Francisco, California, this 18th day
of December, 1973.

President
William J. ...

Commissioners

Commissioner Vernon L. Sturgeon, being
necessarily absent, did not participate
in the disposition of this proceeding.

Commissioner J. P. Vukasin, Jr., being
necessarily absent, did not participate
in the disposition of this proceeding.