

ORIGINAL

Decision No. 83583

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DOUELLE ENTERPRISES, a California
corporation, for authority to control
DOUELLE TRUCKING COMPANY, a
California corporation, operating as
a highway common carrier, by acquisition
of its outstanding capital stock.

Application No. 55162
(Filed September 10, 1974)

O P I N I O N

Doudell Enterprises (Enterprises), a California corporation, requests authority to acquire control of Doudell Trucking Company (Doudell), a California corporation, by acquisition of its outstanding capital stock.

Doudell is a highway common carrier engaged in the transportation of property between points within the State pursuant to Decision No. 61092 dated November 22, 1960 in Application No. 41636. It also holds a cement carrier certificate issued June 23, 1964 by Resolution No. 13821 in Application No. 46519. Doudell also conducts operations in interstate and foreign commerce pursuant to authority issued by the Interstate Commerce Commission.

Enterprises is a new corporation formed for the purpose of becoming a holding company for the stock of Doudell and Diamond Sales and Service, Inc. (Diamond). Diamond, a California corporation, is engaged in the business of selling trucks, parts, accessories, and in related activities.

At the present time all of the 20,000 shares of the outstanding common capital stock of Doudell are owned by John W. Doudell. Ninety percent of the 10,000 shares of the outstanding common capital stock of Diamond is owned by John W. Doudell, and 10 percent is owned by Armand Kunde, who has long been actively affiliated with John W. Doudell in the management of Doudell and Diamond.

Although no written agreement has been entered into, it is proposed that John W. Doudell and Armand Kunde will exchange their stock in Doudell and Diamond for common stock and preferred stock of Enterprises and that John W. Doudell will acquire 51 percent of the shares of common stock (510 shares) and Armand Kunde will acquire 49 percent (490 shares). The exact number of shares of preferred stock, all of which are to be owned by John W. Doudell, will depend upon the book value of the stock of Doudell and Diamond on the date upon which the proposed exchange will take place.

It is alleged that the creation of Enterprises and the holding by it of the stock of Doudell will assure the continuation of the management and control and will also assist in the estate planning program of John W. Doudell; that the proposals were developed by the parties and their corporate and tax counsel; and that it is their opinion that the continued viability and financial capability of Doudell will be assured for the future by the adoption thereof.

After consideration the Commission finds that the proposed stock acquisition and control of Doudell by Enterprises will not be adverse to the public interest. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. In accordance with Section 854 of the Public Utilities Code Doudell Enterprises may acquire control of Doudell Trucking Company by acquisition of its outstanding capital stock as proposed.

2. Within ten days after such acquisition applicants shall so notify the Commission in writing.

3. Decision No. 61092 and Resolution No. 13821 (Sub No. 49) are amended by incorporating the following restriction:

Whenever Doudell Trucking Company engages other carriers for the transportation of property of John W. Doudell or Armand Kunde or Doudell Enterprises or Doudell Trucking Company or Diamond Sales and Service, Inc., or customers or suppliers of said individuals or corporations, Doudell Trucking Company shall not pay such other carriers rates and charges less than the rates and charges published in Doudell Trucking Company's tariffs on file with this Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 16th
day of OCTOBER, 1974.

Vernon L. Sturgeon
President
William J. Quinn, Jr.

[Signature]
[Signature]
Commissioners

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