

Decision No. 86195

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of NIELSEN FREIGHT LINES)	
to assume liabilities of J & B Leasing)	Application No. 56594
Co., Inc. and issue 1,125 shares of)	(Filed July 6, 1976)
\$10.00 par value capital stock.)	

O P I N I O N

Nielsen Freight Lines seeks authority to issue 1,125 shares of its \$10 par value capital stock and to assume J & B Leasing Co., Inc. liabilities, all in connection with the merger of the two corporations.

Nielsen Freight Lines is a California corporation operating as a highway common carrier of general commodities, with certain exceptions, in the San Francisco Bay Area and points and places north thereof to the Eureka-Arcata-Crescent City Area pursuant to the certificate of public convenience and necessity granted by Decision No. 83546, dated October 8, 1974, as amended by Decision No. 83813, dated December 10, 1974, in Application No. 54586. In addition, it operates under permits issued by this Commission and under Interstate Commerce Commission authority. The effective date of a superseding certificate of public convenience and necessity granted in Application No. 55946 is dependent upon pending action by the Interstate Commerce Commission with respect to a transfer from Willig Freight Lines.

For the year 1975, applicant reported total carrier operating revenues and net income in the respective amounts of \$5,370,505 and \$107,530. Its sole shareholders are James and Bernice Nielsen, husband and wife.

J & B Leasing Co., Inc. was formed to engage in the business of leasing motor vehicle equipment and with the same shareholders as those of applicant. For the last six months of 1975, J & B Leasing Co., Inc. reported rental income amounting to \$48,000.

Pursuant to a Plan and Agreement of Reorganization, a copy of which is attached to the application as Exhibit A, applicant would issue 1,125 shares of its \$10 par value capital stock to its shareholders on the basis of three shares for every four of the 1,500 shares of \$10 par value capital stock of J & B Leasing Co., Inc. outstanding prior to the merger.

Balance sheets at December 31, 1975, showing the effect of the merger, based upon Exhibit E attached to the application, are as follows:

	<u>Nielsen Freight Lines</u>	<u>J & B Leasing Co., Inc.</u>	<u>Adjustments</u>	<u>Pro Forma</u>
<u>Assets</u>				
Current assets	\$ 792,817	\$152,111		\$ 944,928
Net carrier				
operating property	980,633	61,347		1,041,980
Franchises	103,101	878		103,979
Investments and advances	251,638			251,638
Totals	<u>\$2,128,189</u>	<u>\$214,336</u>		<u>\$2,342,525</u>
<u>Liabilities</u>				
Current liabilities	\$ 629,892	\$ 30,138		\$ 660,030
Long-term equipment				
obligations	361,238	40,670		401,908
Capital stock	88,580	15,000	\$ (3,750)	99,830
Capital surplus		17,979	3,750	21,729
Retained earnings	<u>1,048,479</u>	<u>110,549</u>		<u>1,159,028</u>
Totals	<u>\$2,128,189</u>	<u>\$214,336</u>		<u>\$2,342,525</u>

After consideration the Commission finds that:

1. The proposed transactions would not be adverse to the public interest.
2. The proposed stock issue would be for a proper purpose.
3. The money, property or labor to be procured or paid for by the stock 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.
4. There is no known opposition and there is no reason to delay granting the relief requested.

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 for the purpose of this proceeding only, and is not to be construed as a finding of the value of applicant's stock or properties, nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

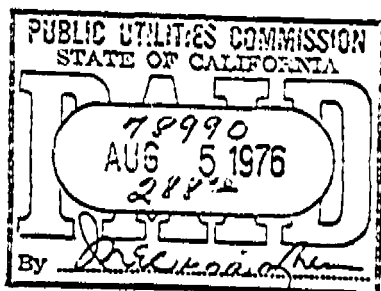
1. Nielsen Freight Lines, for the purpose set forth in the application, may issue not exceeding 1,125 shares of its \$10 par value capital stock to James and Bernice Nielsen, husband and wife, in accordance with the Plan and Agreement of Reorganization, a copy of which is attached to the application as Exhibit A.

2. Nielsen Freight Lines may assume the J & B Leasing Co., Inc. long-term liabilities in addition to the corresponding current liabilities.

3. Nielsen Freight Lines 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. This order shall become effective when Nielsen Freight Lines has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$288.

Dated at San Francisco, California, this 3rd day of AUGUST, 1976.



William J. Nielsen President
Veron L. Stinson
Ronald Hon
Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.