

Decision 84 05 067

MAY 16 1984

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of )  
 SECURITY TRANSPORTATION CO., a )  
 corporation, KIMBERY L. YANCEY, )  
 ELDON BROOKS (sic), and FRANKLIN J. )  
 DITTO, pursuant to § 854 of the )  
 Public Utilities Code. )

Application 84-02-05  
 (Filed February 1, 1984)

O P I N I O N

Security Transportation Co. (Security), a California corporation, holds highway carrier permits and a certificate of public convenience and necessity issued under Public Utilities (PU) Code § 1063 to operate as a highway common carrier (File T-74,911). Kimery L. Yancey, Timothy Eldon Brooks, and Franklin J. Ditto own all the outstanding stock in Security.

By this application authority is sought under PU Code § 854 for Brooks and Yancey to control Security by means of a stock redemption agreement.

Security's principal place of business is located in Gilroy. Issued and outstanding shares of capital stock in Security are as follows:

<u>Shareholder</u>	<u>No. of Shares</u>	<u>% of Shares</u>
Yancey	1,250	25%
Brooks	1,250	25%
Ditto	2,500	50%

Under the agreement attached to the application, the 2,500 shares of stock held by Ditto will be redeemed by Security

for \$60,000. Following that transaction, both Yancey and Brooks will continue to hold 1,250 shares, each with a 50% interest in Security.

Yancey and Brooks are Vice-President and Secretary-Treasurer, respectively, in Security, and are members of Security's Board of Directors. They have held these positions for four years and possess the experience and ability necessary to continue the management and operation of the business following the stock redemption.

Applicants allege that the transaction will not affect Security's existing rates, nor have any effect on Security's energy efficiency.

Applicants allege that Franklin Ditto no longer desires to participate in the management and operation of the business, and that it is in the best interest of the company that controlling ownership and management not be separated. They have agreed to the proposed stock redemption so that Security will continue to be managed by its principal owners.

A balance sheet dated September 30, 1983 attached to the application indicates total assets of \$295,936 and current liabilities of \$216,139. An income statement for the nine-month period ending September 30, 1983 shows total operating income of \$853,796 and expenses of about \$672,612.

Notice of the filing of the application appeared on the Daily Transportation Calendar of February 2, 1984. No protests have been received.

The application should be granted. Since there are no protests to this request, the following order should be effective on the date it is issued.

Findings of Fact

1. The proposed transaction is not adverse to the public interest.
2. Granting this request should not be construed as a finding of value of the stock of Security.
3. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
4. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.
5. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. Because there is an immediate need for the sought authority, the following order should be made effective on the date of issuance.

O R D E R

IT IS ORDERED that:

1. Kimery L. Yancey and Timothy Elden Brooks may acquire control of Security Transportation Co. in accordance with the Stock Redemption Agreement attached to the application.

2. Security Transportation Co. shall immediately notify the Commission in writing when the stock held by Franklin J. Ditto has been acquired.

This order is effective today.

Dated MAY 16 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO

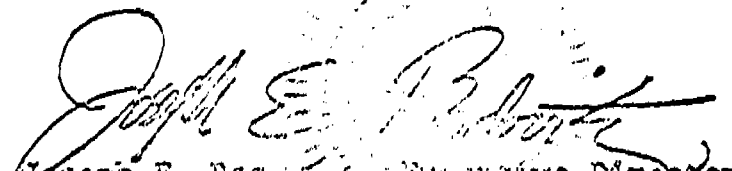
PRISCILLA C. GREW

DONALD VIAL

Commissioners

Commissioner William T. Bagley  
being necessarily absent, did  
not participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Joseph E. Bocovizza, Executive Director