

Decision S4 06 047

JUN 6 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Roeder S. Stinson, transferor, and
California Transportation Group,
transferee, for transfer of control
of Owens Bros. Transfer & Storage,
a California corporation.

Application 84-04-064
(Filed April 12, 1984)

O P I N I O N

Applicants Roeder S. Stinson (Stinson) and California Transportation Group (CTG), a California corporation, request approval for CTG to acquire control of Owens Bros. Transfer & Storage (Owens) through the acquisition of all of the issued and outstanding stock of Owens from Stinson. A copy of the application was served on the California Trucking Association. Notice of the filing of the application appeared in the Commission Daily Transportation Calendar of April 18, 1984. No protests to the application have been received.

Owens possesses a certificate of public convenience and necessity to operate as a highway common carrier pursuant to Public Utilities (PU) Code § 1063.5 (No. GC-4135 in File T-76,027). Owens also possesses a household goods carrier permit and a highway contract carrier permit. For the calendar year ended December 31, 1983 Owens had total operating revenue of \$753,063 and a net profit of \$30,597. As of that date Owens had a net worth of \$153,875. Owens is not a party to any through routes or joint rates or fares with any other carrier. All issued and outstanding stock of Owens, totalling 700 shares, is owned by Stinson.

The application shows that Stinson is President and Chief Operating Officer of Owens. He desires to sell Owens because he is suffering from coronary heart disease and can no longer operate

Owens. Stinson's physician has advised him that continued subjection to stressful situations will aggravate his condition and so in order to avert the potential for further coronary problems Stinson desires to dispose of his business as soon as possible.

CTG is a newly formed corporation which, as yet, has transacted no business other than to enter into an agreement to purchase Stinson's stock in Owens. CTG's president has been engaged in the business of transportation for the past 15 years, holding key positions with a national van line and with Owens. Upon consummation of the proposed transaction he will become President of Owens.

In accordance with the Agreement for Purchase and Sale of Stock (the agreement) Stinson will sell his 700 shares of stock in Owens to CTG for a total price of \$375,000, \$25,000 down and the balance evidenced by two promissory notes, one a 5-month note for \$50,000 and the other 10-year note for \$300,000. The notes are to be secured by the pledge of the 700 shares of Owens' stock. Under the pledge agreement CTG will have the sole and exclusive right to vote the stock during the pledge period but may not vote the stock to accomplish certain matters, such as merging Owens with another corporation.

Findings of Fact

1. CTG requests authority to control Owens through the purchase of Owens' issued and outstanding stock all of which is owned by Stinson.

2. Owens holds a highway common carrier certificate, a household goods carrier permit, and a highway contract carrier permit, issued by the Commission.

3. For the calendar year ended December 31, 1983 Owens had total operating revenue of \$753,063 and a net profit of \$30,597.

4. Stinson, who is Owens' President and Chief Operating Officer, is suffering from coronary heart disease and can no longer operate Owens.

5. CTG and Stinson have entered into an agreement whereby CTG will buy and Stinson will sell all of Stinson's stock in Owens for the total purchase price of \$375,000, with a down payment of \$25,000 cash and the balance evidenced by two promissory notes.

6. The stock purchase agreement provides that the involved shares of stock will be pledged to secure payment of the notes, with CTG having the sole and exclusive right to vote the shares of stock.

7. The President of CTG has had 15 years experience in the transportation field and is presently general manager of Owens.

8. The proposed transaction is not adverse to the public interest.

9. A hearing is not necessary.

10. Because of Stinson's critical physical condition this order will be made effective today.

Conclusion of Law

The application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. The application of California Transportation Group is granted and it may acquire control of Owens Bros. Transfer & Storage as provided in the application.

2. Written notice of the consummation of the control transaction authorized shall be filed with the Commission within ten days after its completion.

This order is effective today.

Dated JUN 6 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

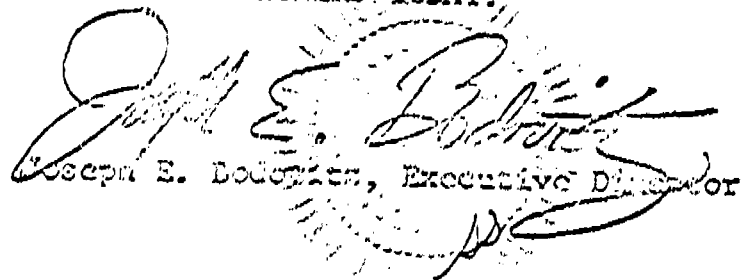
DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

Commissioner Priscilla C. Grew,
being necessarily absent, did
not participate

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


Joseph E. DeLoatch, Executive Director