

Decision 84 10 038 OCT 3 1984**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
 BANDON, INC., a California )  
 corporation, for authority to )  
 purchase the Passenger Stage )  
 Corporation Certificate of Public )  
 Convenience and Necessity of )  
 SANTA ROSA AIRPORTER, INC., a )  
 California corporation; SANTA ROSA )  
 AIRPORTER, INC. to transfer its )  
 certificate and assets to )  
 BANDON, INC, a California )  
 corporation, pursuant to Sections )  
 851-853 of the California Public )  
 Utilities Code; and Bandon, Inc., )  
 to issue its promissory note in the )  
 amount of \$600,000, pursuant to )  
 Section 817 of the California )  
 Public Utilities Code. )

Application 84-08-056  
 (Filed August 14, 1984)

O P I N I O N

Bandon, Inc. (buyer), a California corporation, and Santa Rosa Airporter, Inc. (seller), a California corporation, have entered into a contract for the sale and purchase of seller's certificate of public convenience and necessity as a passenger stage for \$750,000, net of assumed liabilities. Seller conducts operations as a passenger stage under a certificate (PSC-971) which authorizes the transportation of passengers and baggage between Ukiah, Hopland, Cloverdale, Healdsburg, Santa Rosa, Rohnert Park, and Petaluma, on the one hand, and San Francisco International Airport, on the other hand, over specified routes.

It is alleged that seller's owners, who are also its corporate officers, desire to retire from the passenger stage business. It is further alleged that buyer is financially capable of providing continuous and dependable service while repaying its note

of \$600,000 to seller,<sup>1</sup> and of supplying additional capital if needed. It is alleged that buyer has already hired management personnel with a significant amount of experience in passenger transportation.

Buyer and seller call the Commission's attention to the fact that the agreement involves a pledge of buyer's stock as security for the performance of buyer's obligations to seller. Notice of this application appeared in the Commission's Daily Transportation Calendar of August 20, 1984. No protests have been received.

#### Findings of Fact

1. We find that the proposed transaction is not adverse to the public interest.

2. The proposed security issue is for lawful purposes and the money, property, or labor to be obtained by it are required for these purposes. Proceeds from the security issue may not be charged to operating expenses or income.

#### Conclusions of Law

1. We conclude that the transaction should be authorized. This includes approval of a transfer of buyer's stock to seller or to seller's principals in the event of a default under the terms of the contract appended to the application.

2. To allow the sale to take place expeditiously, this order should be effective today.

3. 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. ✓

4. This authorization is not a finding of the value of the rights and properties to be transferred. ✓

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<sup>1</sup> This note is provided for by the purchase agreement.

O R D E R

IT IS ORDERED that:

1. By January 1, 1985, Santa Rosa Airporter, Inc. may sell and transfer the operative rights and property specified in the application to Bandon, Inc.

2. Purchaser shall:

- a. File with the Transportation Division written acceptance of the certificate and a copy of the bill of sale or other transfer document within 30 days after transfer.
- b. Amend or reissue seller's tariffs and timetables, state in them when the service will start, make them effective 10 or more days after this order is effective, and allow at least 10 days' notice to the Commission.
- c. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol safety rules.
- d. File an annual report of seller's operations for the period from the first day of the current year to the date of transfer.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Remit to the Commission the Transportation Reimbursement Fee required by PU Code § 403 when notified by mail to do so.

3. If the transfer is completed, on the effective date of the tariffs a certificate of public convenience and necessity is granted to Bandon, Inc., a corporation, authorizing it to operate as a passenger stage corporation, as defined in PU Code § 226, between the points and over the routes set forth in Appendix PSC-1367, to transport persons and baggage.

4. On or after the effective date of this order, but before January 1, 1985, for the purposes specified, transferee may issue an evidence of indebtedness in principal not exceeding \$600,000 and may execute and deliver encumbering documents. These documents shall be substantially the same as those attached to the application.

5. The certificate of public convenience and necessity granted to Santa Rosa Airporter, Inc. (PSC-971) is revoked on the effective date of the tariffs.

6. In the event of a default, the certificate granted herein may, without further order, be retransferred to seller or seller's principals on receipt by the Commission of written notice from purchaser or of a final judgment of default. On completion of such transfer seller or seller's principals shall:

- a. File with the Transportation Division written acceptance of the certificate and a copy of the bill of sale or other transfer document within 30 days after transfer.
- b. Amend or reissue purchaser's tariffs and timetables, state in them when the service will start, make them effective 10 or more days after this order is effective, and allow at least 10 days' notice to the Commission.
- c. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol safety rules.
- d. File an annual report of purchaser's operations for the period from the first day of the current year to the date of transfer.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Remit to the Commission the Transportation Reimbursement Fee required by PU Code § 403 when notified by mail to do so.

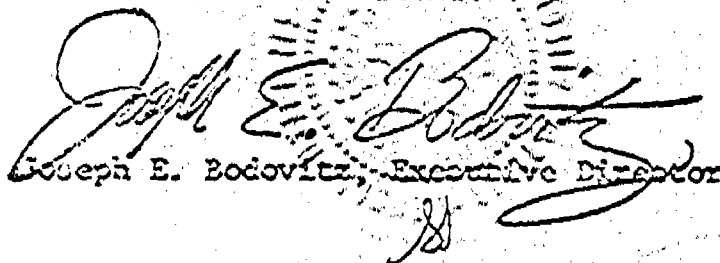
On completion of such transfer, the Executive Director is authorized to rescind any revocation of seller's certificate which has occurred pursuant to Ordering Paragraph 5 of this order, and to suspend any certificate issued to purchaser under Ordering Paragraph 3. This authorization shall expire when seller shall have filed a supplementary pleading indicating that purchaser has completed all of its obligations under the contract of sale.

This order is effective today.

Dated OCT 3 1984, at San Francisco, California.

VICTOR CALVO  
PRISCILLA C. CREW  
DONALD VIAL  
WILLIAM T. BAGLEY  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC-1367

Showing passenger stage operative rights, restrictions,  
limitations, exceptions, and privileges.

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All changes and amendments as authorized by  
the Public Utilities Commission of the State of California  
will be made as revised pages or added original pages.

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Issued under authority of Decision 84 10 038,  
dated OCT 3 1984, of the Public Utilities Commission of  
the State of California, in Application 84-08-056.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,  
AND SPECIFICATIONS.

Bandon, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to transport passengers and baggage between Ukiah, Hopland, Cloverdale, Healdsburg, Santa Rosa, Rohnert Park, and Petaluma, on the one hand, and San Francisco International Airport, on the other hand, over and along the routes described subject, however, to the authority of this Commission to change or modify these routes at any time and subject to the following provisions:

- (a) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (b) All service authorized shall be limited to transportation of persons with origin or destination at Ukiah, Hopland, Cloverdale, Healdsburg, Santa Rosa, Rohnert Park, or Petaluma, on the one hand, and San Francisco International Airport, on the other hand.
- (c) Service shall be provided only at the designated service points listed in the route descriptions of Section 2, below.

Issued by California Public Utilities Commission.

Decision 84 10 038, Application 84-08-056.

## SECTION 2. ROUTE DESCRIPTIONS.

Route 1. Santa Rosa - Rohnert Park - Petaluma - San Francisco International Airport.

Beginning at the El Rancho motel in Santa Rosa (2200 Santa Rosa Avenue), then by the most judicious route to U.S. 101; then by way of U.S. 101 to Rohnert Park Expressway, Rohnert Park; return and continue on U.S. 101 to Washington Street cutoff to the Petaluma Inn (Highway 101 at East Washington Street) in Petaluma; return and continue on U.S. 101, Park Presidio Boulevard (San Francisco), 19th Avenue, Junipero Serra Boulevard, Junipero Serra Freeway (I-280); then via the most judicious route to the passenger terminal at San Francisco International Airport.

Route 2. Ukiah - Hopland - Healdsburg - Santa Rosa

Beginning at City of Ukiah Airport and then via the most appropriate streets and highways to Hopland; then via the most appropriate streets and highways to the Owl Cafe, 485 S. Cloverdale Blvd., Cloverdale; then via the most appropriate streets and highways to the Arctic Circle Restaurant, 343 Healdsburg Avenue, Healdsburg; then via the most appropriate streets and highways to the El Rancho motel, 2200 Santa Rosa Avenue, Santa Rosa, then connecting at Santa Rosa with Route 1 to continue on to the passenger terminal at the San Francisco International Airport.

Issued by California Public Utilities Commission.

Decision 84 10 028, Application 84-08-056.



of \$600,000 to seller,<sup>1</sup> and of supplying additional capital if needed. It is alleged that buyer has already hired management personnel with a significant amount of experience in passenger transportation.

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