

Decision 87 10 069 OCT 28 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Robert and Lori Giersdorf, for approval of the transfer of control of California Cruisin', Inc., a California corporation, through purchase of stock, pursuant to the provisions of California Public Utilities Code Section 854.

ORIGINAL

Application 87-07-023 (Filed July 14, 1987)

OPINION

Applicants Robert and Lori Giersdorf seek authority under Public Utilities (PU) Code Section 854 to acquire control of California Cruisin', Inc. (Cruisin') through the purchase of capital stock from the present shareholders, Edward J. Jakab, Charles E. Boyd, John E. Avery, and John F. Graver (collectively referred to as sellers).

Notice of filing of the application appeared in the Commission's Daily Transportation Calendar on July 21, 1987. No protests to the application have been filed.

Cruisin' presently conducts regular route passenger ferry service between San Diego, on the one hand, and the City of Avalon, Santa Catalina Island, on the other hand, pursuant to a certificate of public convenience and necessity (CPC&N) issued by the Commission in Decision (D.) 87-02-025, dated February 11, 1987. The transfer of control of Cruisin' is proposed to be accomplished by the purchase of all of the sellers' interest in the stock of Cruisin'. A copy of the stock purchasing agreement between applicants and sellers, which was entered into on May 29, 1987, is attached to the application as Exhibit A. Sellers own and control all of the shares of stock of Cruisin'. They now desire to sell their stock because of financial reasons.

Applicants have been actively involved in the management of other water transportation and cruise companies headquartered in Washington and Alaska. Vessels that they manage are positioned in Alaska, Northern California, Panama, Mexico, the Caribbean, Tahiti, and Hawaii. Applicants' business plans include expanding their vessel operations to the Southern California market.

This application involves only the change in stock ownership of Cruisin'. The CPC&N will not be transferred, but will remain with Cruisin'. Applicants' plans are to operate Cruisin's service as provided in D.87-02-025 because the proposed change of ownership is not likely to change the current competitive situation in Cruisin's approved area of operation.

Cruisin's financial statement shows, as of June 1, 1987, total assets of \$260,297 and an accumulated deficit during its development stage of \$337,250. In its statement of operations for the period from inception dated July 17, 1986 until June 1, 1987, Cruisin' had a gross operating loss of \$476,596.

#### Findings of Fact

1. At the time D.87-02-025 was issued sellers held and controlled all of the shares of stock of Cruisin'.
2. In May 1987, sellers determined that, for financial reasons, they desired to sell their stock of Cruisin' to applicants.
3. Applicants have the experience and ability to control and supervise the operations of Cruisin' as well as the ability to handle Cruisin's financial matters.
4. On May 29, 1987, applicants and sellers entered into an agreement whereby sellers agreed to sell all the issued and outstanding shares of stock in Cruisin' to applicants for the total purchase price of \$125,000.

5. The CPC&N issued to Cruisin' will not be transferred but will remain with Cruisin', and applicants' plans are to operate Cruisin's services as authorized in D.87-02-025.

6. This application does not involve the issuance of any additional stock or other securities.

7. The proposed acquisition and control of Cruisin' by applicants is not adverse to the public interest.

8. A public hearing is not necessary in this matter.

9. Since the order affects only applicants and sellers, it should be made effective on the date of issuance.

Conclusion of Law

Public interest will be served by the proposed sale and purchase of stock in Cruisin' and a certificate should be granted to applicants.

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.

ORDER

IT IS ORDERED that:

1. Edward J. Jakab, Charles E. Boyd, John E. Avery, and John F. Graver may sell and transfer the operative rights specified in the application to Robert and Lori Giersdorf. This authorization shall expire if not exercised by December 31, 1987, or within such additional time as the Commission may authorize.

2. Purchasers shall:

a. File with the Transportation Division written acceptance of the certificate and a copy of the bill of sale or other transfer documents within 30 days after transfer.

b. Amend or reissue sellers' tariff. The tariff shall not be effective before the

date of transfer, nor before 10 days' notice is given to the Commission.

- c. Comply with General Orders Series 87, 104, 111, and 117.
- d. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Remit to the Commission the Transportation Reimbursement Fee required by PU Code Section 403 when notified by mail to do so.

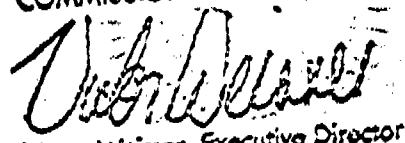
3. When the transfer is completed, and on the effective date of the tariffs, a certificate of public convenience and necessity is granted to Robert and Lori Giersdorf, authorizing them to operate as a common carrier by vessel, as defined in PU Code Sections 211(b) and 238, between the points and over the routes set forth in Appendix A, to transport persons, baggage, and property.

This order is effective today.

Dated OCT 28 1987, at San Francisco, California.

STANLEY W. HULETT  
President  
DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

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

  
Victor Weisser, Executive Director

AB

Appendix VCC-62

\* ROBERT AND  
LORI GIERSDORF

First Revised Title Page  
Cancels  
Original Title Page

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A VESSEL COMMON CARRIER  
VCC-62

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Showing common carrier by vessel 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.

Issued by California Public Utilities Commission.

\*Amended by Decision 87 10 069, Application 87-07-023.

Appendix VCC-62

\* ROBERT AND  
LORI GIERSDORF

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I. GENERAL AUTHORIZATION AND RESTRICTION.

Robert and Lori Giersdorf are authorized by the decision noted in the margin to transport passengers, baggage, and/or property between the Port of San Diego and Avalon, Santa Catalina Island in vessels certificated by the United States Coast Guard.

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