

Decision 89 12 017 DEC 6 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Charles E. Boyd and
Leona Ann Gibson, 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.)

Application 89-06-052
(Filed June 26, 1989)

OPINION

This is an application in which Charles E. Boyd (Boyd) and Leona Ann Gibson (Gibson) seek authority to acquire control of California Cruisin' Inc. (Cruisin') by the purchase of all of its shares of capital stock from Robert and Lori Giersdorf (Giersdorfs).

Notice of the filing of the application appeared in the Commission's Daily Transportation Calendar on July 3, 1989. There are no protests.

The Commission makes the following findings and conclusion.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. Cruisin' is a California corporation. It holds a certificate of public convenience and necessity to operate as a common carrier by vessel, as defined in Sections 211(b) and 238 of the Public Utilities Code, pursuant to Decision (D.) 87-02-025, dated February 11, 1987. The Giersdorfs acquired control of Cruisin' in accordance with D.87-10-069, dated July 4, 1987. Cruisin' is authorized to provide regular route passenger ferry service between San Diego and Avalon on Santa Catalina Island.

3. On May 5, 1989, the parties entered into an agreement under which the Giersdorfs will sell all of Cruisin's outstanding stock to Boyd and Gibson for one dollar.

4. Cruisin's unaudited balance sheet for the four months ending April 30, 1989, indicates total fixed assets of \$396,115 and total current liabilities of \$253,444. However, included in the total of fixed assets is an item of \$296,703 assigned to research and development. For the same period, Cruisin' has a net loss before taxes of \$66,324.

5. Cruisin' suspended service in November, 1988, due to the limited demand for service to Santa Catalina Island during the winter months. Boyd and Gibson plan to resume service as soon as the proposed transfer of control has been approved by the Commission.

6. The Giersdorfs desire to sell their stock in Cruisin' because of financial reversals in other areas of their business activities. They have determined that they can no longer make the financial commitment necessary to keep Cruisin' operating. The Giersdorfs decided to sell their interest in Cruisin' so that Cruisin' may continue to provide passenger ferry service between San Diego and Santa Catalina Island. It is the only carrier authorized to provide such service.

7. Boyd was a founder of Cruisin' and its president from its formation in 1986 until 1988. Boyd has been involved in the maritime transportation industry since 1969. His training and experience make him qualified to control and supervise the operations of Cruisin' as well as the company's financial matters.

8. As of March 31, 1989, Boyd had a net worth of \$579,748. As of April 30, 1989, Gibson had a net worth of \$690,845.

9. Boyd and Gibson have the ability, including financial ability, to acquire control of Cruisin' and continue its operations.

10. The proposed acquisition of control of Cruisin' by Boyd and Gibson is not adverse to the public interest.

11. Since the order only affects the parties to it, it should be made effective on the date of issuance.

Conclusion of Law

The application should be granted.

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

ORDER

IT IS ORDERED that:

1. Charles E. Boyd (Boyd) and Leona Ann Gibson (Gibson) are authorized to acquire control of California Cruisin' Inc. (Cruisin') by the purchase of capital stock from Robert and Lori Giersdorf in accordance with the terms of the application.

2. Boyd and Gibson shall file with the Commission written notice of the acquisition of control within 15 days after the transactions authorized herein have been consummated.

3. The authority granted in Ordering Paragraph 1 shall expire unless it is exercised before December 31, 1990.

This order is effective today.

Dated DEC 6 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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

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Wesley Franklin
WESLEY FRANKLIN, Acting Executive Director