

AUG 11 1992

Decision 92-08-013 August 11, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Mahmud Hematian-
 Brojeni and Ahmad Hematian-Brojani
 for approval of the transfer of
 control of Metro Shuttle, a
 California corporation, through
 purchase of stock, pursuant to
 California Public Utilities Code
 Section 854.

ORIGINAL

Application 92-04-032
(Filed April 28, 1992)

O P I N I O N

By application filed April 28, 1992, MAHMUD HEMATIAN-BROJENI and AHMAD HEMATIAN-BROJENI (applicants), pursuant to California Public Utilities Code § 854, seek approval of the transfer of control of METRO SHUTTLE (Metro), a California corporation, through purchase of all outstanding shares of stock of Metro.

Notice of the filing of the application was published in the Commission's Daily Calendar on Friday, May 1, 1992. No protests to the application have been filed, though the time for filing the same has expired. The Commission's Transportation Division has, by Advice of Participation filed April 28, 1992, indicated that Commission staff believes the proposed transfer is in the public interest. No hearing on the application is deemed necessary.

Discussion

Metro operates as a passenger stage corporation under PSC-5858, issued by Decision (D.) 90-03-008, dated March 14, 1990. In addition, Metro holds charter-party permit TCP-5858-P. Metro is authorized to use the fictitious trade names MAGIC SHUTTLE and GALAXY SHUTTLE. Both PSC and TCP authorities are currently in good standing.

Applicants desire to acquire control of Metro through a purchase of all of the outstanding shares of stock of Metro. The name and address of each individual shareholder, the number of shares held, amount paid, percent of ownership, and the certificate number representing said shares is annexed to the application as Exhibit A, sub-exhibit 4.

Examination of the application indicates that for the period ending August 15, 1991, the latest period for which figures are available, Metro has lost \$9,268.89. The application further contains a statement to the effect that as a result of financial difficulties accentuated by the recent state of the economy and the impact of the Persian Gulf War on the travel/tourism industry, the shareholders (sellers) have determined that they can no longer make the financial commitment necessary to keep Metro in operation. As a result, a sale of the current shareholders interests is necessary in order that Metro's current operations may continue to provide transportation services to the public.

An "Agreement of Purchase and Sale of Stock," annexed to the application as Exhibit A, indicates that the authorized capital stock of Metro consists of 60,000 shares having a par value of \$4.00/share, of which 24,500 shares have been issued and are outstanding. It is these 24,500 shares which are to be transferred from the current shareholders to the applicants. The agreement specifies a purchase price of \$60,000 with a payment of \$50,000 at closing and an additional \$10,000 30 days thereafter. The aforesaid agreement also lists an inventory of assets to be transferred.

The applicants show a combined net worth of \$682,000, and are thus financially capable of undertaking the purchase here contemplated. Without a sale, it appears quite clear that Metro will not be able to survive as a going concern, and that the transfer of the stock ownership should be approved as in the public interest.

Findings of Fact

1. Notice of the application was published in the Commission's Daily Calendar on Friday, May 1, 1992, and no protests have been filed.

2. No hearing is necessary.

3. The Commission's Transportation Division staff recommends granting the application.

4. Metro is a California corporation having authorized capital stock of 60,000 shares of common stock having a par value of \$4.00/share, of which 24,500 shares have been issued and are currently outstanding.

5. Metro operates as a passenger stage corporation pursuant to a Certificate of Public Convenience and Necessity, PSC-5858, issued in D.90-03-008, dated March 14, 1990.

6. Metro also holds charter-party permit TCP-5858-P, issued by this Commission.

7. Because of financial difficulties, each of the current shareholders is desirous of selling his interest in Metro.

8. Applicants desire to acquire control of Metro through a purchase of all of the outstanding shares of stock.

9. The agreed terms of the stock acquisition are \$50,000 to be paid at the time of closing, and an additional \$10,000 30 days thereafter, for a total purchase price of \$60,000.

10. The combined net worth of applicants is \$682,000.

11. Without a sale, Metro cannot continue as a going concern.

Conclusions of Law

1. The acquisition of control of Metro by applicants through a purchase of all outstanding shares of stock is in the public interest.

2. The applicants have sufficient unencumbered assets to pay the agreed-upon purchase price for all outstanding shares of stock.

3. The application should be approved.

4. This order should be effective immediately in order to prevent interruption of service.

ORDER

IT IS ORDERED that:

1. Mahmud Hematian-Brojeni and Ahmad Hematian-Brojeni (applicants) may acquire control of Metro Shuttle (Metro), a California corporation, which is authorized to operate as a passenger stage corporation (PSC-5858) and a charter-party carrier (TCP-5858), through the purchase of all outstanding shares of stock.

2. Applicants shall notify the Transportation Division in writing that they have consummated the control of Metro as stated in Ordering Paragraph 1 within 120 days from the effective date of this order.

This order is effective today.

Dated August 11, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.

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


NEAL J. SHULMAN, Executive Director