

Decision 82 01 81

JAN 19 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
seeking authority pursuant to)
Section 851 and 1064.5 of the)
Public Utilities Code for GARY A.)
SCANNAVINO, dba CHEROKEE FREIGHT)
LINES, to transfer a highway)
common carrier certificate of)
public convenience and necessity)
and other assets to SCAN-VINO,)
INC., dba CHEROKEE FREIGHT LINES.)

Application 60845
(Filed August 26, 1981)

O P I N I O N

Gary A. Scannavino (Seller), an individual doing business as Cherokee Freight Lines, requests authority to sell and transfer his highway common carrier certificate of public convenience and necessity to Scan-Vino, Inc. (Purchaser), a California corporation, doing business as Cherokee Freight Lines.

The certificate was issued under Public Utilities (PU) Code Section 1063.5 in Application GC 1884 and authorizes statewide transportation of general commodities with the usual exclusions.

The proposed transfer meets the terms and conditions set forth in Resolution 18049 for continuity transfers and therefore will not be subject to the limitation imposed by PU Code Section 1064.5.

Seller also holds various permits under T-83,410 which are being transferred to Purchaser by separate application.

The agreement for sale and transfer covers all of the assets and liabilities of Seller in exchange for all of the outstanding capital stock of Purchaser and for an unsecured promissory note payable to Seller in the amount of \$184,616 with interest to be paid monthly at the rate of 10% per annum and principal due and payable on October 1, 1985.

Purchaser has attached, as part of the application, a balance sheet dated October 1, 1980, showing a net worth of \$61,500.

A copy of the application was furnished to the California Trucking Association. Notice of the filing of the application appeared in the Commission's Daily Calendar of August 28, 1981. No protests to the application have been received.

Findings of Fact

1. Purchaser has the ability and sufficient financial resources to conduct the proposed operation.
2. The proposed note is for lawful purposes.
3. The certificate may be transferred in its entirety.
4. A public hearing is not necessary.
5. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.

Conclusion of Law

The proposed transfer is not adverse to the public interest and should be authorized.

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. Gary A. Scannavino, an individual, may sell and transfer the operative rights and other property specified in the application to Scan-Vino, Inc., a California corporation. This authority shall expire if not exercised by May 1, 1982, or within such additional time as the Commission may authorize.

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. The tariffs shall not be effective before the date of transfer, nor before 5 days' notice is given to the Commission.

- c. Comply with General Orders Series 80, 100, and 104, and the California Highway Patrol safety rules.
- d. Maintain accounting records in conformity with the Uniform System of Accounts.

3. If the transfer is completed, on the effective date of the tariffs, a certificate of public convenience and necessity is granted to Scan-Vino, Inc., a California corporation, authorizing it to operate as a highway common carrier, as defined in PU Code Section 213.

4. The certificate of public convenience and necessity granted in Application GC 1884 is revoked on the effective date of the tariffs.

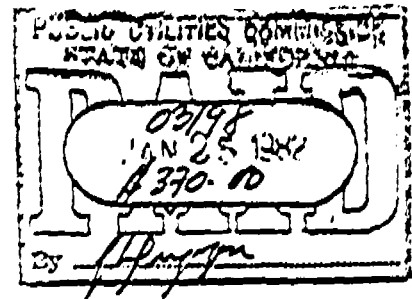
5. On or after the effective date of this order, but before May 1, 1982, for the purpose specified, Purchaser may issue an evidence of indebtedness in a principal amount not exceeding \$184,616.

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The authority granted by this order to issue an evidence of indebtedness will become effective when the issuer pays \$370, set by PU Code Section 1904(b). In all other respects this order becomes effective 30 days from today.

Dated JAN 19 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners



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

Joseph E. Bedovitz
Joseph E. Bedovitz, Executive Director