

ORIGINAL

Decision 82 02 035 FEB - 4 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CENTRUM RESOURCES, INC., a California)
Corporation For Authority to Purchase)
All of the Stock of ALCAL DELIVERY, INC.,)
a California Corporation.)

Application 60828
(Filed September 10, 1981)

O P I N I O N

Centrum Resources, Inc. (Centrum), a California corporation, requests authority to control Alcal Delivery, Inc. (Alcal) through the purchase of 661 shares of outstanding stock of Alcal owned by Robert and Harriet Smith (the Smiths) under the agreement set forth in Exhibit C attached to the application. The Smiths join in the request. A copy of the application was served on California Trucking Association. The parties request waiver of the requirements of Rule 21(f) of the Commission's Rules of Practice and Procedure. No protests to the application have been received.

The application shows that Alcal is the holder of certificates of public convenience and necessity issued by the Commission under Public Utilities (PU) Code Sections 1063 and 1063.5. It also holds a contract carrier permit issued by the Commission. It possesses a certificate issued by the Interstate Commerce Commission (ICC) authorizing trucking operations in northern California. It operates ten trucks, five Dodge vans, and other assorted equipment. Its balance sheet shows that as of May 31, 1981 it had a net worth of \$124,000 and its Income and Expense Statement shows that for the nine-month period ending on that date it had a net income before taxes of \$135,000 on gross revenue of \$557,000. Alcal has 847 issued and outstanding shares of capital stock of which 661 shares are owned by the Smiths and 186 shares by Centrum.

Alcal is not a party to through routes or joint rates with any other carrier. Over a period of years Alcal has developed a service specifically suited to the transportation of office equipment and supplies, and especially electronic equipment. Alcal's personnel is trained in the handling and transporting of electronic machines and related materials and supplies. Upon grant of this application and the subsequent purchase of the remaining Alcal stock from the Smiths, Alcal will continue to perform all the services presently offered. Recent rapid growth in the Alcal operation has placed an unacceptable burden upon the Smiths, who presently serve as president, vice president, secretary and treasurer of Alcal, and are solely responsible for management and control of the Alcal operation. The Smiths have other full and parttime commitments which do not allow them to provide the time and energy required to continue management of Alcal. For this reason they wish to sell all the remaining stock of Alcal to Centrum.

The application further shows that neither Centrum nor its officers, directors, or stockholders hold any motor carrier authority from the Commission or the ICC. The stockholders of Centrum are Gerald Sweeny and Ralph Page who have extensive background in the management and operation of small businesses and represent that they are ready, willing, and able to provide fulltime managerial services for Alcal. No change in Alcal's service is contemplated if the proposed transaction is approved.

Centrum proposes to purchase all 661 shares of Alcal owned by the Smiths in consideration of which Centrum will pay the Smiths \$284,300 evidenced by a promissory note in that amount at 10% interest and payable in 84 installments of \$4,719 each. Payment of the note is to be secured by a Deed of Trust covering real property owned by Ralph Page and his wife. In addition, the Agreement For Purchase and Sale of Stock provides for Centrum to pay the Smiths \$27,650 in 24 equal monthly installments in exchange for a five-year covenant not to compete.

Findings of Fact

1. Centrum, which owns 186 shares of Alcal stock, requests authority to purchase the remaining 661 shares from the Smiths.
2. Neither Centrum nor its officers, directors, or stockholders hold any authority from the Commission.
3. Alcal operates as a highway common carrier under certificates issued by the Commission under PU Code Sections 1063 and 1063.5.
4. Alcal operates ten trucks, five Dodge Vans, and other assorted equipment.
5. As of May 31, 1981 Alcal had a net worth of \$124,000.
6. In consideration for the transfer of the stock from the Smiths to Centrum, Centrum will pay the Smiths \$284,300 evidenced by a 10% promissory note payable in 84 monthly installments of \$4,719 each and secured by a Deed of Trust from Ralph and Celia Page covering real property owned by Ralph and Celia Page.
7. In addition to the purchase price Centrum will give its written promise to pay the Smiths \$27,650 in 24 monthly installments in exchange for a five-year covenant not to compete.
8. Centrum proposes no change in Alcal's service if the proposed operation is approved.
9. The principals of Centrum have extensive background in the management of small businesses and are ready, willing, and able to provide fulltime managerial services for Alcal.
10. The proposed transaction is not adverse to the public interest.
11. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.
12. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
13. A public hearing is not necessary.

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.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. On or before April 1, 1982 Centrum Resources, Inc. may obtain control of Alcal Delivery, Inc. through the purchase of stock as set forth in the Agreement for Purchase and Sale of Stock attached to the application.

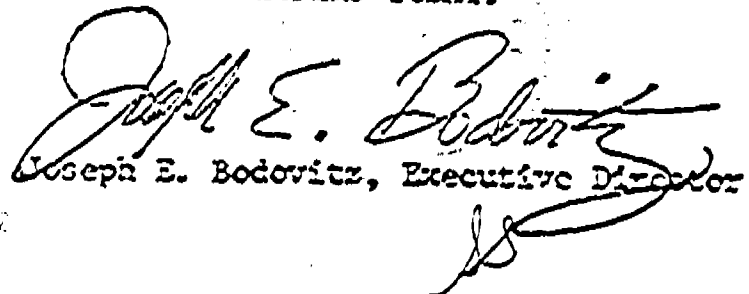
2. The requirements of Rule 21(f) of the Commission's Rules of Practice and Procedure are waived.

This order becomes effective 30 days from today.

Dated FEB 4 1982, at San Francisco, California.

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

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


Joseph E. Bodovitz, Executive Director