

Decision 83 10 057 OCT 19 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
William E. McCoy to acquire control)
of M & L Trucking Company, Inc., by)
means of the purchase of M & L)
Trucking Company's outstanding stock.)

Application 83-08-40
(Filed August 16, 1983)

O P I N I O N

William E. McCoy (buyer) requests authority to control M & L Trucking Company, Inc. (M & L), a California corporation, through the purchase of all of the issued and outstanding stock of M & L under an Agreement For Purchase And Sale Of Stock (agreement) entered into between buyer and Norbert Owen Artlip and Charlotte Artlip (sellers). Notice of the filing of the application appeared in the Commission Daily Transportation Calendar of August 19, 1983. No protests to the application have been received.

M & L holds a highway common carrier certificate issued under Public Utilities Code (PU Code) § 1063 issued in Decision (D.) 91129. It also holds a highway common carrier certificate (GC 224) issued under PU Code § 1063.5. In addition, M & L holds permits to operate as a highway contract carrier, an agricultural carrier, and a heavy-specialized carrier under File T-106,172. The application shows that for the six months ending June 30, 1983 M & L had transportation revenue of \$1,110,000 and a net loss from operations of \$124,000. As of June 30, 1983 its balance sheet, in summary, shows as follows:

Current Assets	\$156,322.03	Current Liabilities	\$155,437.13
Tangible Property		Long-Term Debt	49,227.06
(Less dep.)	65,141.49		
		Deferred Credits	2,841.15
Intan. Property	<u>4,948.57</u>	Stockholders' Equity	<u>18,906.75</u>
Total Assets	\$226,412.09	Total Liabilities and Equity	\$226,412.09

Sellers represent that they are owners of all of the issued and outstanding stock of M & L--300 shares. They state that in recent months the San Francisco Bay Area trucking industry has experienced excess capacity and intensified competition. Because of this situation and the limited financial resources of their family business they believe that they cannot continue to successfully and profitably operate their company.

Buyer states that he has in excess of ten years experience in the motor carrier industry and at present is president and day-to-day manager of Stewart Drayage Lines, Inc. (Stewart), of Emeryville. Buyer expects to operate M & L as a separate operation. The application shows that as of August 1, 1983 buyer had a net worth of \$51,000. Buyer states that the proposed transaction will not have any material adverse impact upon either shippers or competitive carriers and that it will not be adverse to the public interest.

The agreement calls for a total purchase price for the 300 shares of \$25,805.91, payable \$10,000 down and the balance to be represented by a 10% promissory note to be payable in 18 equal monthly installments. In the agreement buyer and sellers agree that M & L's current cash and accounts receivables will go to pay off approximately

\$107,000 of M & L's present liabilities. In the event the cash and accounts receivable prove to be insufficient to discharge those liabilities, sellers agree to pay any deficiency to buyer. On the other hand, any excess cash and accounts receivable after paying off those liabilities will be paid to sellers.

Findings of Fact

1. Buyer requests authority to control M & L through the purchase of all the issued and outstanding stock of M & L from sellers.
2. M & L possesses highway common carrier certificates and highway carrier permits issued by the Commission.
3. M & L grossed in excess of \$1 million in freight revenue during the six months ended June 30, 1983.
4. M & L is a family company with limited financial resources.
5. Sellers desire to retire from the management of M & L.
6. Total price to be paid sellers is \$25,805.91, payable \$10,000 cash down and the balance represented by a 10% promissory note payable in equal monthly installments.
7. Buyer has had in excess of ten years in the trucking business.
8. Buyer currently is president and general manager of a trucking company.
9. Upon acquisition buyer will operate M & L as a separate entity.
10. Buyer is financially fit to handle the purchase of the stock.
11. No protests to the application have been received.
12. The proposed transaction is not adverse to the public interest.

13. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

14. A public hearing is not necessary.

Conclusion of Law

The application should be granted.

O R D E R

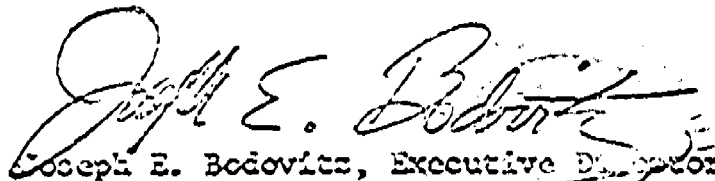
IT IS ORDERED that William E. McCoy is authorized to acquire control of M & L Trucking Company, Inc. in accordance with the Agreement for Purchase and Sale of Stock attached as Exhibit ONE to Application 83-08-40. Written notice of the consummation of the control transaction authorized shall be filed with the Commission within 10 days after its completion.

This order becomes effective 30 days from today.

Dated OCT 19 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. CREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

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


Joseph E. Bodovitz, Executive Director