

ORIGINAL

Decision No. 87176

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ASSOCIATED TRANSPORTATION CO., INC.,)
 a corporation, for authority to)
 purchase shares of its stock, and)
 issue a promissory note, and of)
 R. M. CARROLL for authority to control)
 ASSOCIATED TRANSPORTATION CO., INC.,)
 a corporation.)

Application No. 57110
 (Filed February 24, 1977)

O P I N I O N

Associated Transportation Co., Inc. seeks authority to issue a \$171,550 note in partial payment for 4,860 shares of its \$10 par value capital stock, and R. M. Carroll seeks authority to control said corporation.

Applicant corporation is a public utility subject to the jurisdiction of this Commission by virtue of holding (a) the highway common carrier certificate of public convenience and necessity granted by Decision 60658, dated August 30, 1960, as amended by Decision 60864, dated October 11, 1960, in Application 42194, and as further amended by Decision 65741, dated July 23, 1963, in Application 45496, and (b) the cement carrier certificate granted on June 23, 1964 by Resolution 13325, Sub. 16. In addition, such corporation possesses highway contract carrier and radial highway common carrier permits issued by this Commission in File T-55504, and also operates under the jurisdiction of the Interstate Commerce Commission.

According to Exhibit E attached to the application, for the year 1976 the carrier's total operating revenues and net operating income amounted to \$1,325,460 and \$68,932, respectively.

Its December 31, 1976 balance sheet is summarized from said exhibit, as follows:

<u>Assets</u>	
Current assets	\$129,437
Carrier operating property less accumulated depreciation	336,499
Other assets	<u>18,969</u>
Total	<u>\$484,905</u>
<u>Liabilities and Equity</u>	
Current liabilities	\$ 41,854
Capital stock	90,000
Capital surplus	5,754
Retained earnings	<u>347,297</u>
Total	<u>\$484,905</u>

The application shows that the corporation's outstanding capital stock consists of 9,000 shares having a par value of \$10 each, with R. M. Carroll holding 36% or 3,240 shares and William E. Kunde holding 10% or 900 shares, and that the remaining 54% or 4,860 shares were owned by Paul Kunde who passed away on November 27, 1976.

As agreed to prior to the death of Paul Kunde, Associated Transportation Co., Inc. proposes to purchase his estate's 4,860 shares of its stock for a price of \$206,550 of which \$25,000 would be paid with proceeds of insurance policies upon his life for which it was the beneficiary. Applicant corporation would pay the balance by issuing to the order of the estate of Paul Kunde a \$171,550 note repayable in ten equal annual installments of \$17,155, which note would bear interest at the rate of 6% per annum commencing in 1980.

The verified application shows that the proposed reacquisition of stock would result in control of applicant passing to R. M. Carroll, who has been engaged in the for-hire

motor carrier transportation business in California for over 30 years as a partner in the carrier's predecessor and as a stockholder, director and manager of the corporation.

A copy of the application has been sent to the California Trucking Association, and notice of the filing of the application was made in the Commission's Daily Calendar of February 28, 1977. No protest to the application has been received.

After consideration the Commission finds that:

1. The proposed note is for a proper purpose.
2. The money, property or labor to be procured or paid for by the note herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
3. Control of Associated Transportation Co., Inc. by R. M. Carroll would not be adverse to the public interest.
4. There is no known opposition and there is no reason to delay granting the relief requested.

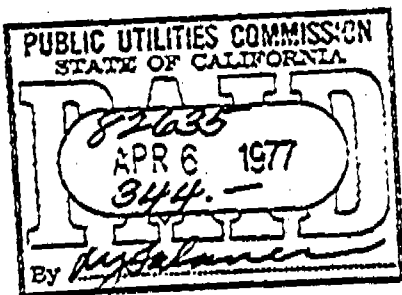
On the basis of the foregoing findings we conclude that the application should be granted, and that the effective date of the order should be the date on which applicant corporation pays the prescribed fee. A public hearing is not necessary. The action taken herein shall not be construed as a finding of value of the capital stock of Associated Transportation Co., Inc.

ORDER

IT IS ORDERED that:

1. Associated Transportation Co., Inc. may issue a promissory note in the principal amount of \$171,550 as partial consideration for the purchase of 4,860 shares of its capital stock, which note shall be in substantially the same form as Exhibit D attached to the application.
2. R. M. Carroll may control Associated Transportation Co., Inc.
3. Associated Transportation Co., Inc. shall file with the Commission a report, or reports, as required by General Order 24-B, which order, insofar as applicable, is hereby made a part of this order.
4. Within 30 days after acquiring control of Associated Transportation Co., Inc., R. M. Carroll shall so inform the Commission in writing.
5. This order shall become effective when Associated Transportation Co., Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$344.

Dated at Sacramento, California, this 5th day of APRIL, 1977.



Robert Bateman
President

William J. [Signature]

Vernon L. [Signature]

[Signature]
Commissioners