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ORIGINAL

Decision No. 88796 MAY 2 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of

ANGELO BOLLA, dba BOLLA FREIGHT LINES)
for authority to encumber its)
certificate of public convenience and)
necessity issued by the California)
Public Utilities Commission and motor)
carrier equipment, and issue a)
promissory note to LYMAN E. WADDILL)
secured by said operating authority)
and equipment.)

Application No. 57534
(Filed August 24, 1977)

O P I N I O N

Angelo Bolla, doing business as Bolla Freight Lines, requests authority (a) to issue a promissory note in the principal amount of \$29,913.29, and (b) to execute and issue a Security Agreement pledging his operating rights and equipment as collateral for the note.

Angelo Bolla operates as a highway common carrier in California pursuant to a certificate of public convenience and necessity granted by Decision No. 84369, dated April 29, 1975, in Application No. 54682, which certificate authorizes transportation of general commodities, with certain exceptions, between San Rafael and Sacramento on the north and Carmel Valley, Salinas, Los Banos, and Merced on the south. This carrier also operates under the jurisdiction of the Interstate Commerce Commission and as a highway contract carrier and a radial highway common carrier under permits issued by this Commission in File T-100250.

In his annual report to the Commission for the year 1976, Angelo Bolla, dba Bolla Freight Lines, reported operating revenues of \$584,644 and a net loss for the year of \$10,123. Exhibit G, attached to the application indicates the carrier's operating revenues and net income for the three months ended March 31, 1977 amounted to \$142,867 and \$14,086, respectively.

The Bolla Freight Lines' statement of financial position on March 31, 1977, as originally filed, is attached to the application as Exhibit F. This statement was subsequently changed and a revised statement was provided to the Finance Division by the carrier's attorney on March 13, 1978. The carrier's financial position on March 31, 1977 is summarized as follows:

<u>Assets</u>	<u>Amount</u>
Current assets	\$15,376
Carrier operating equipment-net	46,587
Intangibles	31,461
Other assets	<u>5,641</u>
Total	<u>\$99,065</u>
<u>Liabilities and Proprietor's Equity</u>	
Current liabilities	\$60,932
Long-term liabilities	56,473
Proprietor's equity	<u>(18,340)</u>
Total	<u>\$99,065</u>

() Indicates Negative Amount

Angelo Bolla proposes to issue a promissory note, secured by a Security Agreement, to Lyman E. Waddill for the sum of \$29,913.29, payable with interest at a rate of 8-1/2 percent. Payments including principal and interest are to be made in monthly installments of \$800, or more, commencing on July 15, 1977 through June 30, 1979, and thereafter in monthly installments of \$1000 or more until the balance of the note is paid. A copy of the note is attached to the application as Exhibit D.

The Security Agreement, which Angelo Bolla proposes to issue to Lyman E. Waddill as collateral for the promissory note, will encumber the operating rights and equipment of Bolla Freight Lines. A copy of the Security Agreement is attached to the application as Exhibit E. The operating rights and equipment to be pledged as security for the promissory note are described in Exhibits A, B, and C, attached to the application.

The basis for Angelo Bolla's request to issue a note and encumber operating rights and equipment, and the background, facts, circumstances, reasons and justifications as indicated in the application are as follows:

Lyman E. Waddill and Angelo Bolla negotiated the sale of the operating rights of Angelo Bolla, dba Bolla Freight Lines, and entered into an agreement dated September 1, 1976 whereby Bolla Freight Lines, Inc.,^{1/} and Lyman E. Waddill would buy the operating rights of Angelo Bolla, dba Bolla Freight Lines. Application No. 56746 was filed with this Commission on September 10, 1976 for approval of this transaction which was subsequently granted by Decision No. 86580, dated November 2, 1976. After the issuance of the Commission's decision and prior to any consummation of the transaction Lyman E. Waddill and Angelo Bolla came into conflict and dispute and decided to rescind the agreement. Lyman E. Waddill, as Commission Decision No. 86580 shows, had made a \$60,000 down payment on the agreement to Bolla Freight Lines, Inc., which, in turn, transferred that sum to Angelo Bolla, dba Bolla Freight Lines. As a result of the refusal by the parties to consummate the agreement, and under the terms of that agreement, Angelo Bolla was allowed to retain \$18,400 cash-on-hand, and required to issue a promissory note in the amount of \$29,913.29 to Lyman E. Waddill. As security for the payment of the \$29,913.29 promissory note, Angelo Bolla agreed to pledge his operating rights and motor carrier equipment.

In a letter dated March 13, 1978, the attorney for the parties informed the staff that the proceeds from the note payable to Lyman E. Waddill in the amount of \$29,913.29 were used in Bolla's operations as working capital.

^{1/} Underlined to distinguish Bolla Freight Lines, Inc. from Angelo Bolla, dba Bolla Freight Lines.

The Transportation Division and the Finance Division of the Commission staff have reviewed the proposed transactions and consider the request of Angelo Bolla to be reasonable.

After consideration the Commission finds that:

1. The proposed note issue is for a proper purpose.
2. The proposed Security Agreement would not be adverse to the public interest.
3. 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.

On the basis of the foregoing findings we conclude that the application should be granted. There is no known opposition and there is no reason to delay granting the relief requested. A public hearing is not necessary. The authorization granted by this decision is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Angelo Bolla, dba Bolla Freight Lines, on or after the effective date of this order and on or before December 31, 1978, for the purposes set forth in the application, may execute and deliver a security agreement, and may issue a promissory note in the principal amount of not exceeding \$29,913.29, which documents shall be in substantially the same forms as those attached to the application.

2. Angelo Bolla, dba Bolla Freight Lines, shall file the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Angelo Bolla, dba Bolla Freight Lines, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$60.

Dated at San Francisco, California, this 2nd day of MAY, 1978.

Robert B. Byrne
President
William J. Brown
Virginia L. Spurgeon
Charles R. Brown
Clair D. Deibel
Commissioners

