

Decision No. 90080 · MAR 13 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of:)

(a) STANDON COMPANY, INC., a)
California corporation, to pur-)
chase, and STANLEY R. BERCKEFELDT)
and DONALD E. STEELE, co-partners)
doing business as STANDON COMPANY,)
to sell, a cement carrier cer-)
tificate authorizing service to)
and within the Counties of Fresno,)
Imperial, Inyo, Kern, Los Angeles,)
Merced, Orange, Riverside, San)
Bernardino, San Diego, Santa)
Barbara and Ventura, in the State)
of California.)

Application No. 58585
(Filed January 5, 1979)

(b) STANDON COMPANY, INC., a)
California corporation, to issue)
shares of its common capital)
stock.)

O P I N I O N

Stanley R. Berckefeldt and Donald E. Steele, co-partners doing business as Standon Company (sellers), seek authority to sell and transfer and Standon Company, Inc., a California corporation (purchaser), requests authority to purchase and acquire a cement carrier certificate of public convenience and necessity.

The certificate was granted by Decision 86831, dated January 5, 1977 and authorizes operations to and between all points in the Counties of Fresno, Imperial, Inyo, Kern, Los Angeles, Merced, Orange, Riverside, San Bernardino, San Diego, Santa Barbara and Ventura.

The sellers have agreed to dissolve their partnership and Stanley R. Berckefeldt will continue to operate the business in corporate form.

Purchaser is a newly organized corporation and does not now hold any operating authority. Its Articles of Incorporation authorize the issuance of 500,000 shares of common capital stock neither described as par nor no par value, and it proposes to issue 358,040 of such shares to Stanley R. Berckefeldt in return for the transfer of assets having a book value of \$395,665 as of May 1, 1978.

Purchasers pro forma balance sheet of May 1, 1978 reflects the proposed exchange of stock for assets which include \$37,625 in cash and the balance in highway vehicles and other operating equipment. Sellers participate in Western Motor Tariff Bureau, Inc., Agent, tariff publications for rates to cover operations under the certificate to be transferred. Purchaser proposes to adopt the tariffs. The applicants have submitted a copy of a shipping document evidencing operations under the sellers' certificate during the past year.

Copies of the application have been furnished to the principal cement manufacturers in this State and to the California Trucking Association. Applicants request relief from the provisions of the Commission's Rules of Practice and Procedure requiring wide dissemination of the application. Notice of the filing of the application appeared in the Commission's Daily Calendar of January 10, 1979. No protests to the application have been received.

After consideration, the Commission finds:

1. The requested deviation from the Commission's Rules of Practice and Procedure should be authorized.
2. The proposed issuance of stock is for a proper purpose.
3. The money, property or labor to be procured or paid for by the issuance of stock 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.

4. The proposed sale and transfer would not be adverse to the public interest.

The Commission concludes that the application should be granted as applied for. A public hearing is not necessary. The action taken herein shall not be construed as a finding of the value of the certificate and other assets to be sold and transferred. The order which follows will provide for, in the event the transfer is completed, the revocation of the certificate presently held by Stanley R. Berckefeldt and Donald E. Steele and the issuance of a certificate in appendix form to Standon Company, Inc., a California corporation.

Purchaser is placed on notice that operative rights as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or cancelled at any time by the State which is not in any respect limited as to the number of rights which may be given. The authorization granted shall not be construed as a finding of the value of the rights and other assets to be transferred.

O R D E R

IT IS ORDERED that:

1. Stanley R. Berckefeldt and Donald C. Steele, may sell and transfer the operating rights and other assets referred to in the application to Standon Company, Inc., a California corporation. This authority shall expire if not exercised by October 31, 1979 or within such additional time as may be authorized by the Commission.

2. Standon Company, Inc., on or after the effective date hereof and on or before October 31, 1979, for the purpose specified in the application, may issue not to exceed 358,040 shares of its common

capital stock having neither par nor no par value to Stanley R. Berckefeldt in consideration of cash and the other assets referred to in the application having a total value of \$395,665.

3. Standon Company, Inc. shall file with the Commission a report required by General Order No. 24-B which order, insofar as applicable, is hereby made a part of this order.

4. Within thirty days after the transfer, the purchaser shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

5. Purchaser shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier operations transferred to show that it has adopted or established, as its own, the rates and rules. The tariff filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the transfer. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order 117-Series. Failure to comply with the provisions of General Order 117-Series may result in a cancellation of the operating authority granted by this decision.

6. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 5, a certificate of public convenience and necessity is granted to Standon Company, Inc., a California corporation, authorizing it to operate as a cement carrier as defined in Section 214.1 of the Public Utilities Code between the points set forth in Appendix A attached hereto and made a part hereof.

7. The certificate of public convenience and necessity granted by Decision 86831 is revoked effective concurrently with the effective date of the tariff filings required by paragraph 5.

8. Purchaser shall comply with the safety rules of the California Highway Patrol, and the insurance requirements of the Commission's General Order 100-Series.

9. Purchaser shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, or or before April 30 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

10. Purchaser shall comply with the requirements of the Commission's General Order 84-Series for the transportation of collect on delivery shipments. If purchaser elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

11. The applicants are granted a deviation from the Commission's Rules of Practice and Procedure to the extent requested in the application.

12. The authority granted in this order to issue stock shall become effective when Standon Company, Inc., has paid the fee prescribed by Section 1904.1 of the Public Utilities Code which fee is \$792. In other respects the effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 13th day of MARCH, 1979.



John G. Bryan
President
Richard L. Stinson
Richard W. Havel
Charles J. DeLoach
James W. Jones
Commissioners

Standon Company, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct operations as a cement carrier as defined in Section 214.1 of the Public Utilities Code, from any and all points of origin to all points and places within the Counties of Fresno, Imperial, Inyo, Kern, Los Angeles, Merced, Orange, Riverside, San Bernardino, San Diego, Santa Barbara and Ventura, subject to the following restriction:

This certificate of public convenience and necessity shall lapse and terminate if not exercised for a period of one year.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision 90080 1, Application 58585.