

Decision No. 90471 JUN 19 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 DONALD G. BUNKER and WILLIAM KUNDE )  
 for authority to control ASSOCIATED )  
TRANSPORTATION CO., INC. )

Application No. 58842  
 (Filed May 4, 1979)

O P I N I O N

In this application Donald G. Bunker (Bunker) and William Kunde (Kunde) request authority to control Associated Transportation Co., Inc. (Associated). Bunker proposes to purchase 900 shares from R. M. Carroll and to control Associated, together with Kunde, who also currently holds 900 shares.

Authority is sought pursuant to Sections 854 and 3551 of the Public Utilities Code. Notice of the filing of the application was published on the Commission's Daily Calendar of May 8, 1979.

Associated is a highway common carrier certificated by Decision No. 60658 dated August 30, 1960 in Application No. 42194 as amended by supplemental order in Decision No. 60864 dated October 11, 1960. These decisions authorize Associated to transport general commodities, with limited exceptions, between points in the San Francisco Territory, and over regular routes, including all points within twenty miles thereof, extending between Red Bluff, Roseville, Oroville, San Francisco, Stockton and Warm Springs. Associated also holds and operates under a radial highway common carrier permit and other permits issued in file No. T-55,504.

There are presently outstanding 4,140 shares of common capital stock of Associated of which 3,240 shares are held by R. M. Carroll and 900 shares by Kunde. By oral agreements heretofore entered into, it is proposed that 2,340 shares now held by R. M. Carroll will be sold to Associated as treasury stock for \$150,500.

Nine hundred (900) shares will be acquired by Bunker for \$51,700. Kunde will retain his 900 shares, thus making on consummation, a total of 1,800 shares outstanding. The result of the proposals will be that the number of directors will be reduced to two and that William Kunde will be president, Donald G. Bunker will be secretary/treasurer and they will jointly control Associated. They will furnish continuity as officers and directors of Associated.

In payment for the sales of stock, Associated will pay \$15,500 in cash and Bunker will pay \$5,000 to Robert M. Carroll on consummation of the transaction. The balances will be paid by Associated and by Bunker and his wife to Robert M. Carroll or his wife in installments as provided for in promissory notes, copies of which are attached as Exhibits A and B to the application.

The Finance Division's review of Associated's financial statement for the twelve months ended December 31, 1978 shows operating revenue of \$1,510,345 and net income of \$38,464.

The Transportation Division has reviewed the application and has no objection to granting the authority requested.

The following is quoted from a letter by Associated's attorney received subsequent to the filing date of the application:

"The purpose of this letter is to urge the Commission to place on the Agenda for its June 19 meeting an order granting the subject application. An unforeseen emergency situation exists which warrants such action by the Commission pursuant to the provisions of Section 306(b) of the Public Utilities Code.

'Applicant engages extensively in the transportation of agricultural commodities and is therefore particularly active during the harvesting season which has not yet commenced. Therefore it is now and has for some period of time been operating with minimum revenues but with unreduced constant expenses. Applicant has a line of credit with its bank in the sum of \$250,000 which is utilized during the off-peak season when income is inadequate to defray expenses. Presently applicant has used only \$30,000 of that line of credit. It is unable to borrow anything additional from the bank because the selling controlling shareholder will not permit an increase in the amount owing to the

bank until the transaction covered by the application is consummated. It was assumed by applicant and all parties connected with the application that a decision authorizing the transaction would be issued prior to this date. However, I have been informed that the present scheduling is for a decision to be forthcoming at the Commission's conference of July 3. If earlier action is not taken, the financial condition of applicant will be substantially impaired.

'Applicant presently has barely sufficient funds available to meet today's payroll. It has approximately \$20,000 in bills which should have been paid earlier this month, most of which are drawing interest. It has heretofore paid its bills promptly to preserve its good credit rating. By July 3 it will have accumulated two months bills. Its creditors are generally small business people who cannot afford to carry obligations owing to them for such a long period. Furthermore, the bank may well cancel the line of credit if this situation is not corrected by Commission action on June 19. This not only could have a very adverse effect upon applicant, but might well cause it to be unable to complete that part of the transaction which is applicable to it as set forth in the application. Mr. Carroll had expected to have completed this matter last month and is most anxious to consummate at the earliest possible moment so that his retirement may become effective, which will be beneficial to his health."

Findings of Fact

1. Associated is a certificated and permitted carrier under the jurisdiction of this Commission.
2. Bunker and Kunde request authority to acquire control of Associated through purchase of outstanding shares of stock, by Bunker and Associated from Robert M. Carroll.
3. There is no known opposition and no reason to delay granting the authority requested.
4. Associated requests expedited handling of the application based on an unforeseen emergency situation.

Conclusions of Law

1. The proposed transfer is for proper purposes and would not be adverse to the public interest.
2. A public hearing is not necessary.
3. On the basis of the foregoing findings, we conclude that the application should be granted.
4. Associated has made an adequate showing of facts from which we conclude that an unforeseen emergency situation exists which warrant the special procedure provided by Section 306(b) of the Public Utilities Code.

The action taken herein shall not be construed as a finding of the value of the stock of Associated. By letter applicant's attorney requests that the order be made effective on the date of issuance.

O R D E R

IT IS ORDERED that:

1. Donald G. Bunker and William Kunde may acquire control of Associated Transportation Co., Inc. by Donald G. Bunker's purchasing 900 shares and Associated Transportation Co., Inc.'s purchasing 2,340 shares of issued and outstanding common stock from Robert M. Carroll.
2. An unforeseen emergency situation being shown to exist, this item of business shall be added to the agenda pursuant to the provisions of Section 306(b) of the Public Utilities Code.
3. Within 90 days after the effective date hereof Donald G. Bunker and William Kunde shall notify the Commission as to whether or not the control authorized has been completed.
4. The effective date of this order shall be the date hereof.

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Dated at San Francisco, California, this 19th day  
of JUNE, 1979.

John E. Burton  
President

Richard D. Clark

Clair T. Dwyer

Edward W. Quinn  
Commissioners

