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Decision No. 92440 NOV 18 1980**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CARMEN CERCIELLO and J. KENNETH RYAN)
 for authority to control TESKEY)
 TRANSPORTATION COMPANY)

Application No. 59935
 (Filed September 12, 1980)

O P I N I O N

Carmen Cerciello (Cerciello) and J. Kenneth Ryan (Ryan) request authority, pursuant to Sections 854 and 3551 of the Public Utilities Code, to control Teskey Transportation Company (Teskey) through the acquisition of Teskey's issued and outstanding shares of common stock.

Notice of the filing of the application appeared on the Commission's Daily Calendar of October 8, 1980. No protests have been received.

Teskey is a California corporation operating as a certificated highway common carrier under a certificate of public convenience and necessity granted pursuant to Section 1063.5 of the Public Utilities Code, effective April 30, 1980, in Application No. GC-3944 under File No. T-80521.

Teskey reported in its annual report to the Commission that in calendar year 1979 it generated total operating revenues of \$1,556,125 and a net loss of (\$103,065). Teskey's Income Statement, attached to the application as Exhibit B, indicates that for the four months ended April 30, 1980, the company generated total operating

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revenue of \$469,513 and a net loss of (\$49,324). Teskey's Balance Sheet as of April 30, 1980, attached as Exhibit A to the application, is summarized as follows:

<u>Assets</u>	<u>Amount</u>
Net Operating Equipment	\$114,347
Current Assets and Prepayments	137,374
Other Assets	<u>1,854</u>
Total	<u>\$253,575</u>
<u>Liabilities and Common Equity</u>	
Common Equity	\$(41,946)
Long-Term Debt	47,547
Current Liabilities	<u>247,974</u>
Total	<u>\$253,575</u>

Teskey is authorized under its Articles of Incorporation to issue 75,000 shares of common stock. To date, 5,000 shares have been issued and are outstanding in the name of Rupert S. Teskey, the sole shareholder. Under an oral agreement, Rupert S. Teskey agrees to sell 2,500 shares of his common stock to Cerciello for the sum of \$50 and a like amount, 2,500 shares to Ryan for \$50. The total purchase price for the 5,000 shares is \$100 to be paid to Rupert S. Teskey. Other provisions include an employment provision that Rupert S. Teskey is to be paid as compensation \$2,777.78 per month for a period of three years (total amount of \$100,000), and he is to enter into a covenant not to compete with the company for this period of time following the transfer of the stock. The result of the proposals will be that Cerciello and Ryan will control Teskey jointly.

Applicants state they are experienced in the transportation business. Upon consummation of the stock transfer, there is a plan to reduce the number of directors from three to two. Cerciello will become the president and Ryan will become the vice-president and secretary/treasurer.

The application indicates that Cerciello and Ryan desire to acquire Teskey because, with their knowledge and expertise, they believe that they can make Teskey a profitable carrier and provide a better service for Teskey's customers.

The Transportation Division and the Revenue Requirements Division of the Commission staff have reviewed the application and conclude the applicants' request to be reasonable and should be granted.

Findings of Fact

1. Teskey is a California corporation and both a certificated and permitted highway carrier subject to the jurisdiction of the Commission.

2. The control of Teskey by Cerciello and Ryan is to be shared jointly after they have acquired 100 percent of the issued and outstanding common stock of the carrier pursuant to an oral agreement among the parties.

3. The authority requested herein is not adverse to the public interest.

4. There is no known opposition and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.

2. The application should be granted to the extent set forth in the order which follows.

The authorization granted herein is for the purpose of this proceeding only and is not to be construed as a finding of the value of the assets or capital stock of Teskey.

O R D E R

IT IS ORDERED that:

1. Carmen Cerciello and J. Kenneth Ryan may share control of Teskey Transportation Company after they have acquired the 5,000 shares of the issued and outstanding common stock of the company.

2. Within 90 days after the effective date hereof, Carmen Cerciello and J. Kenneth Ryan shall notify the Commission, in writing, of the date upon which the sharing of control was consummated.

3. The effective date of this order shall be thirty days after the date hereof.

Dated NOV 18 1980, at San Francisco, California.

John E. Bryan
President
Verona L. Sturgeon
Michael D. Howell
Charles J. Kelly
Samuel W. Garrison
Commissioners