

Decision No. 93093

MAY 19 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
VINCENT PUNARO for authority to
control A & B TRANSPORTATION SERVICES,
INC.

} Application No. 60313
(Filed March 3, 1981)

O P I N I O N

A & B Transportation Services, Inc. (A & B) is a California corporation holding certain intrastate and interstate motor carrier authorities for transportation of property. Its articles of incorporation were filed with Application No. 30721. By this application Vincent Punaro (Punaro) seeks authority to control A & B under Sections 854 and 3551 of the Public Utilities Code pursuant to an order issued by the United States Bankruptcy Court, District of New Jersey, Case No. 79-0303, discussed below.

Punaro is the current president and a director of A & B. Between 1969 and 1972 he was controller and between 1972 and 1974 he was executive vice president. He assumed the presidency in 1974 and has held that office to the present. Assertedly, there will be no change in the officers and directors or in the actual control of the operations of A & B by the confirmation of the action of the United States District Court as requested.

A & B operates under an in lieu certificate of public convenience and necessity to operate as a highway common carrier granted by Decision No. 91151 (1979). That certificate authorizes the transportation of special commodities, including garments, clothing, and wearing apparel and related articles, as well as general commodities, with the usual exceptions, between points

in California generally, extending from Santa Rosa and Sacramento, on the north, to San Diego, on the south. A & B also operates as a highway common carrier under a certificate of public convenience and necessity converted from a radial highway common carrier permit on May 31, 1979, pursuant to Section 1063.5 of the Public Utilities Code in Docket No. GC-982. In addition it holds highway contract carrier and agricultural carrier permits issued to it in File No. T-39359. The interstate authorities were consolidated pursuant to action by the Interstate Commerce Commission on application under Section 11343 (formerly Section 5) of the Interstate Commerce Act.

On December 12, 1979, the holding company owning and controlling all of the outstanding stock of A & B, Nelson Resource Corp., a Delaware corporation, filed a petition under Chapter XI of the Federal Bankruptcy Act, 11 U.S.C.A. Section 1. Subsequently, a plan for reorganization was submitted on behalf of the principal corporation, as well as its subsidiaries, including A & B. The plan for reorganization was modified from time to time, and on July 17, 1980, the bankruptcy court accepted and confirmed the plan for reorganization filed by and on behalf of A & B, which provided for the sale of the outstanding stock of A & B, or 833.4 shares, and Gerald Traumueller would receive 10 percent, or 92.6 shares. Thus, under the plan accepted by the court, Punaro would receive control of A & B.

Exhibit A to the application is the in lieu intrastate certificate. Exhibit B is a copy of the order of confirmation on behalf of A & B issued by the United States Bankruptcy Court, District of New Jersey, on July 17, 1980. Exhibit C is a balance sheet of A & B as of December 31, 1980, and an income statement

for the 12-month period ended December 31, 1980. Total assets were \$1,396,735, total liabilities were \$778,959, and total stockholders' equity was \$617,776. Revenue was \$9,709,000, expenses were \$11,124,000, and net income before taxes was a negative \$1,430,000.

A & B and Punaro contend that no one, to their knowledge, will have an interest in this application other than the parties to the agreement. Assertedly, the application will have no discernible effect upon the actual operational control of the company and, therefore, will not affect the competitive position or operations of A & B. A copy of the application was served upon the California Trucking Association. Waiver of Rule 21(f) of the Commission's Rules of Practice and Procedure is requested so that other motor carriers need not be served with copies of the application. The application states that any party expressing an interest will be served. Notice of the filing of the application appeared on the Commission's Daily Calendar of March 6, 1981. There are no protests. A public hearing is not necessary.

Findings of Fact

1. Punaro is experienced and capable of managing A & B.
2. The proposed transfer of capital stock would be for a proper purpose.
3. The action taken herein will not be construed as a finding of value of the capital stock of A & B.
4. Punaro should be authorized to assume control of A & B.
5. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. Vincent Punaro may control A & B Transportation Services, Inc., a California corporation.

2. Within ninety days after the date hereof, Vincent Punaro shall file a report informing the Commission whether or not the change in control authorized herein has been completed.

3. Applicant is granted a deviation from the Commission's Rules of Practice and Procedure which require wide dissemination of the application.

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

Dated MAY 19 1981 , at San Francisco, California.

John E. Bryson
President
Richard D. Stanley
Thomas M. Jones
Walter L. ...
Presulla C. Green
Commissioners