

RR/TC/VDL/WPSC

Decision 93648 OCT 20 1981**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of BOLAND TRUCKING CO., INC., a)
California corporation, for author-)
ity to redeem all corporate stock)
held by controlling shareholders,)
IGNATIUS W. BOLAND AND RUTH BOLAND,)
husband and wife, resulting in)
transfer of corporate control to)
ROBERT AND MARLEEN BOLAND, pur-)
suant to Section 854 of the)
California Public Utilities Code;)
and for authority to issue a)
promissory note to Ignatius W.)
and Ruth Boland to accomplish)
the stock redemption pursuant to)
Section 818 of the Public)
Utilities Code, and for expedited)
order of the Commission.)

Application 60844
(Filed August 26, 1981)

O P I N I O N

Boland Trucking Co., Inc., (Boland) requests authority under Public Utilities (PU) Code Sections 817, 818, and 854, (1) to enter an agreement for the purchase of outstanding stock, (2) to transfer control of Boland, and (3) to issue a \$197,120 promissory note.

Notice of the filing of the application appeared on the Commission's Daily Calendar of August 28, 1981. No protests have been received.

Boland is a California corporation under the jurisdiction of this Commission. It operates as a certificated highway common carrier under Section 1063.5 of the PU Code effective March 2, 1972, Decision (D.) 79840 in Application (A.) 53041. Boland also operates as a motor carrier in interstate commerce under ICC Docket MC-99694.

Boland reported it generated operating revenues of \$1,835,330 and net income of \$21,844 for the year 1980, according to the income statement attached to the application. An accompanying balance sheet is summarized as follows:

<u>Assets</u>	<u>Amount</u>
Current Assets	\$198,056
Property, Plant, and Equipment Less Accumulated Depreciation	268,027
Other Assets	<u>42,444</u>
Total	\$508,527
 <u>Liabilities and Common Equity</u>	
Current Liabilities	\$156,588
Long-Term Liabilities	69,083
Lease Deposits	3,030
Common Equity	<u>279,826</u>
Total	\$508,527

Boland is authorized 10,000 shares of common stock, \$1 par value in its Articles of Incorporation, 9,000 of which are presently issued and outstanding to the following shareholders:

<u>Shareholder</u>	<u>No. of Shares Held</u>
I.W. and Ruth Boland	5,632
Robert Boland	3,000
Robert and Marleen Boland	<u>368</u>
Total Outstanding	9,000

Under the terms of the agreement attached as Exhibit B to the application, Boland will accept the surrender of the 5,632 shares from Ignatius W. and Ruth Boland, the retiring shareholders. The result of this transaction is that (1) control of Boland will shift to Robert Boland, son, and (2) the 5,632 shares redeemed will revert to authorized but unissued treasury shares.

As consideration for their shares, Ignatius W. and Ruth Boland will receive, and Boland will pay and therefore requests authority to issue, a \$197,120 promissory note, the form of which is attached as Exhibit C to the application. The note, which bears interest at the rate of 10.26% per annum, will be repayable \$10,000 as down payment, and \$2,500 per month for 120 months or until repaid. The outstanding common shares of stock, which have a book value of \$31.09, for this transaction were valued at \$35 per share.

The purpose of the request for authority to redeem the 5,632 shares of common stock outstanding, is to allow Ignatius and Ruth Boland to terminate their interests in the company, to retire and pass control to their son. Robert, and his wife, Marleen Boland, have been employed for some time operating the business, and are said to be fully competent to take complete control of Boland.

According to the application, the agreement for the stock purchase was signed, control passed to Robert Boland, and the promissory note was issued on January 2, 1981, inadvertently, and without first receiving authority from this Commission. These transactions, without Commission approval, are void under Sections 825 and 854 of the PU Code.

The Transportation Division and the Revenue Requirements Division have reviewed the application and conclude that Boland's requests are reasonable and should be granted.

Findings of Fact

1. Boland is a California corporation under the jurisdiction of this Commission.
2. Boland is a certificated highway common carrier of general commodities authorized by D.79840 dated March 21, 1972, in A.53041.

3. Boland inadvertently and without receiving authority from this Commission, (1) entered into an agreement to purchase outstanding stock, (2) transferred control of Boland, and (3) issued a \$197,120 promissory note. The execution of and participation in the agreement, the acquisition of the common stock, and the issuance of the promissory note are void under PU Code Sections 825 and 854.

4. The proposed requests to enter an agreement to purchase outstanding stock, to transfer control of Boland, and to issue a \$197,120 promissory note are for proper purposes and not adverse to the public interest.

5. The proposed security issue is for lawful purposes and the money, property, or labor to be obtained by it is required for those purposes.

6. 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.

This authorization is not a finding of the value of the rights and properties to be transferred.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order, but before March 31, 1982, Boland Trucking Co., Inc. (Boland), for the purposes specified, may issue and enter into an agreement to purchase 5,632 shares of its common stock at \$35 per share from Ignatius W. and Ruth Boland. This document shall bear the same terms as Exhibit B attached to the application.

2. On or after the effective date of this order, as a result of the agreement outlined in the preceding paragraph, Robert Boland may assume control of Boland.

3. On or after the effective date of this order, but before March 31, 1982, for the purposes specified, Boland may issue an evidence of indebtedness in the principal amount not to exceed \$197,120. This document shall be in substantially the same form as that attached as Exhibit C to the application.

4. Applicant shall file the reports required by General Order Series 24.

5. On or before March 31, 1982, Boland shall notify the Commission in writing of the date upon which the transfer of control was consummated.

6. The authority granted by this order to enter into an agreement, to transfer control of applicant, and to issue an evidence of indebtedness will become effective when the issuer pays \$396, the fee set by PU Code Section 1904(b). In all other respects, this order becomes effective 30 days from today.

Dated OCT 20 1981 at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

I certify that this decision was approved by the above Commissioners following:

Joseph E. Bryson

