

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Consumer Protection and Safety Division

RESOLUTION TL-19032

August 21, 2003

RESOLUTION

RESOLUTION AUTHORIZING MICHAEL S. MITCHELL AND BRUCE P. HECTOR, DOING BUSINESS AS MICKEY'S SPACE SHIP SHUTTLE, TO CONVERT THEIR FORM OF BUSINESS ORGANIZATION FROM A GENERAL PARTNERSHIP TO A LIMITED LIABILITY COMPANY

SUMMARY

This resolution approves the request of Michael S. Mitchell and Bruce P. Hector for approval to convert their form of business organization from a general partnership to a limited liability company under provisions of the California Corporations Code.

BACKGROUND

Michael S. Mitchel and Bruce P. Hector (Applicant) hold 50% interest each in the general partnership that does business as Mickey's Space Ship Shuttle. Applicant operates as a passenger stage corporation (PSC) under a certificate of public convenience and necessity granted by Decision (D.) 89-11-003 and revised by D.00-06-073. The certificate authorizes service between certain points in Los Angeles and Orange Counties and Los Angeles International and John Wayne Airports.

Applicant desires to take advantage of provisions of the Corporations Code that allow a general partnership to covert into a limited liability company (LLC). The two partners would be the only members of the LLC and each would hold the same percentage interest they now hold as general partners. By letter dated June 3, 2003, Applicant requests approval to proceed with the conversion without having to file a formal application with the Commission to transfer the PSC certificate pursuant to Public Utilities Code § 851 et seq. Applicant states that under the Corporations Code, the LLC will be for all intents and purposes

the same entity as the partnership. It therefore believes a transfer should not be required.

Applicant included with its request a copy of a Conversion Agreement dated June 2, 2003. This document describes the terms under which the partnership intends to convert into an LLC with the name Terrestrial Trolley, LLC.

DISCUSSION

The conversion of partnerships into limited liability companies is governed by Corporations Code § 16901 et seq. (Article 9 of Chapter 5, Title 2). The effects of a conversion are described in § 16909. Particularly relevant to this matter are subdivisions (a) and (b) of this section, which state:

- (a) An entity that converts into another entity pursuant to this article is for all purposes the same entity that existed before the conversion.
- (b) When a conversion takes effect, all of the following apply:
 - (1) All the rights and property, whether real, personal, or mixed, of the converting entity remains vested in the converted entity.
 - (2) All debts, liabilities, and obligations of the converting entity continue as debts, liabilities, and obligations of the converted entity.
 - (3) All rights of creditors and liens upon the property of the converting entity shall be preserved unimpaired and remain enforceable against the converted entity to the same extent as against the converting entity as if the conversion had not occurred.
 - (4) Any action or proceeding pending by or against the converting entity may be continued against the converted entity as if the conversion had not occurred.

Under these provisions, the existing partnership and the LLC it intends to convert into will be essentially the same entity. There will be no discernable impact on the public. No compelling reason exists to require a formal application to transfer the PSC certificate. Accordingly, we will grant Applicant's request and authorize the Commission's Consumer Protection and Safety Division to revise certificate PSC-5244 upon its receipt of certain documents that are necessary to conform the Commission's records to the new legal entity.

Notice of filing of this request appeared in the Commission's Daily Calendar on July 18, 2003. No protest has been received. This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to Public Utilities Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. Applicant operates as a PSC pursuant to a certificate of public convenience and necessity granted by D.89-11-003 and revised by D.00-06-073.
2. Applicant desires to convert its form of business organization from a general partnership to a limited liability company.
3. Applicant requests the Commission to approve the conversion without requiring a transfer of the PSC certificate pursuant to Public Utilities Code § 851 et seq.
4. Under provisions of Corporations Code § 16909, the LLC into which the general partnership will convert will for all purposes be the same entity that existed before the conversion.
5. The proposed conversion will not be adverse to the public interest.
6. Applicant's request is reasonable and should be granted.
7. The Commission's Consumer Protection and Safety Division should be authorized to revise Applicant's certificate (PSC-5244) upon its receipt of certain documents that are necessary to conform the Commission's records to the new legal entity.

THEREFORE, IT IS ORDERED that:

1. The request of Michael S. Mitchell and Bruce P. Hector, doing business as Mickey's Space Ship Shuttle, for approval to convert their general partnership into a limited liability company is granted.

2. The Consumer Protection and Safety Division is authorized to revise passenger stage corporation certificate PSC-5244 to show the holder as Terrestrial Trolley, LLC upon receipt of all of the following documents:
 - a. A certified copy of the Articles of Organization of Terrestrial Trolley, LLC that are consistent with the information contained in Applicant's request for relief.
 - b. Tariff and timetable amendments to reflect the entity change.
 - c. A certificate of liability insurance (Form PL 914) that names Terrestrial Trolley, LLC as the insured.
 - d. A Workers' Compensation Declaration (Form TL 706-K).

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted by the Commission at its regularly scheduled meeting on August 21, 2003. The following Commissioners voted favorably thereon:

_____/s/ WILLIAM AHERN_____
WILLIAM AHERN
Executive Director

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners