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ORIGINAL

Decision No. 13812.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
S. B. McLENEGAN & SON,)
for permission to transfer their cer-)
tificate of public convenience and)
necessity and their business to Pio-)
neer Express Company, and of said)
Pioneer Express Company for permis-)
sion to issue and deliver all of its)
capital stock in full payment there-)
for.)

Application Number 10131.

Walter E. Robinson, for Applicants.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make an order authorizing S. B. McLenegan and C. S. McLenegan, co-partners, doing business under the firm name and style of S. B. McLenegan & Son, to sell and transfer their properties and rights to Pioneer Express Company, a corporation; and Pioneer Express Company to issue \$25,000.00 of its common capital stock in payment.

The operative rights to be transferred to Pioneer Express Company were granted to S. B. McLenegan & Son by Decision Number 6042, dated December 30, 1918, and permit the transportation, by automobile trucks, of freight and express between San Francisco and San Jose and intermediate points. The properties to be acquired by the corporation, and the original cost, are reported as

follows:-

Signal Truck No. 2713	\$3,750.00
Kleiber Truck No. 1306	5,519.77
Kleiber Truck No. 537	5,379.90
Kleiber Truck No. 672	5,379.90
Autocar Truck No. 14826	2,000.00
Autocar Truck No. 20356	2,000.00
Autocar Truck No. 18415	750.00
Autocar Truck No. 20447	1,100.00
Commerce Truck No. 282	1,052.10
Mack Truck No. 28431	1,243.06
Trailer No. 6255	300.00
Ford Truck No. 190186	127.60
Ford Service Car No. 2278133	578.76
Shop tools	200.00
Office furniture	100.00
Total	<u>\$29,482.09</u>

C. S. McLenegan testified that the indebtedness of the partnership consisted of a seven percent. demand note dated January 1, 1923 in favor of Carrie C. McLenegan in the principal amount of \$5,000.00, which represents moneys advanced to the co-partnership to pay for equipment and obligations incurred in the ordinary conduct of the business.

The application shows that the business has been operated by the co-partnership continuously since December 30, 1918. It appears that it has been decided that the operations could be conducted more advantageously by a corporation, and for that reason Pioneer Express Company was organized for the purpose of receiving and operating the rights and properties of the co-partnership. It is of record that there will be no change in management or control as a result of the transfer.

The Articles of Incorporation of Pioneer Express Company, a copy of which is on file with the Commission in this proceeding, show that it was organized on or about April 10, 1924. The company has an authorized capital stock of \$25,000.00, divided into 2500 shares of the par value of \$10.00 each, all common, all of which

it proposes to issue at this time.

ORDER

Application having been made to the Railroad Commission for an order authorizing S. B. McLenegan and C. S. McLenegan to sell and transfer operative rights and properties, and Pioneer Express Company to issue \$25,000.00 of stock, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the \$25,000.00 of stock is reasonably required by Pioneer Express Company;

IT IS HEREBY ORDERED that S. B. McLenegan and C. S. McLenegan, doing business under the firm name and style of S. B. McLenegan & Son be, and they are hereby, authorized to sell and transfer their properties and operative rights to which reference is made in the foregoing opinion, to Pioneer Express Company; and Pioneer Express Company be, and it is hereby, authorized to issue \$25,000.00 of its common capital stock in payment for such properties.

The authority herein granted is subject to the following conditions:-

1. S. B. McLenegan and C. S. McLenegan, doing business under the firm name and style of S. B. McLenegan & Son, shall immediately cancel all time schedules, tariffs, rates and classifications at present on file with the Railroad Commission,

and Pioneer Express Company shall file immediately new time schedules, tariffs, rates, classifications, or adopt as its own the time schedules, tariffs, rates and classifications heretofore filed with this Commission by S. B. McLenegan and C. S. McLenegan; all such new time schedules, tariffs, rates and classifications to be identical with those heretofore filed with this Commission, such cancellation and filing to be in accordance with the provisions of General Order No. 51 and other regulations of the Railroad Commission.

2. The rights and privileges, the transfer of which is herein authorized, may not again be transferred, assigned, leased, sold or hypothecated or operations thereunder discontinued unless the written consent of the Railroad Commission to such transfer, assignment, lease, sale, hypothecation or discontinuance shall have first been secured.
3. No vehicle may be operated by Pioneer Express Company under the authority contained in this decision unless such vehicle is owned by such company or leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.
4. Pioneer Express Company shall keep such record of the issue, sale and delivery of the stock herein authorized as will enable it within sixty days from the date of this order to file a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

5. The transfer of the operative rights and properties herein authorized and the required cancellations and filing of tariffs and schedules shall be made not later than 60 days from the date of the order in this proceeding unless the time for effecting such transfer and cancellation and filing shall be extended by further order of the Commission.

6. The authority herein granted to transfer rights and properties and to issue stock will become effective upon the date hereof.

DATED at San Francisco, California, this 18th day of July, 1924.

H. R. ...

Irving Martin

J. T. Whitney

Commissioners.