

LEEM

Decision No. 16456.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BEKINS FIREPROOF STORAGE,)
a co-partnership, for an order to)
sell, and Bekins Van Lines, Inc., a)
corporation, to purchase an automo-)
bile freight line operating in the)
State of California.)

ORIGINAL

Application No. 11108

Walter E. Burke, for applicants.

BY THE COMMISSION:

O P I N I O N

In the above entitled matter the Railroad Commission is asked to make an order authorizing Milo W. Bekins, Reed J. Bekins, Floyd R. Bekins and Ruth M. Holt, co-partners doing business under the firm name and style of Bekins Fireproof Storage, to sell to Bekins Van Lines, Inc., a corporation, their operative rights and equipment used in the transportation of freight between the points hereinafter set forth, and authorizing Bekins Van Lines, Inc., a corporation, to issue 537 shares of its capital stock of the aggregate par value of \$53,700.00.

It appears that Milo W. Bekins, Reed J. Bekins, Floyd R. Bekins and Ruth M. Holt, hereinafter sometimes referred to as the co-partners, have been engaged in operating automobile freight lines under the authority granted by the Commission as follows:-

By Decision No. 12980 dated Jan. 3, 1924, as amended by
Decision No. 14052, dated Sept. 12, 1924 in Application
No. 9181.

These decisions permit the operation by the co-partners of an automobile truck service as a common carrier of household goods,

pianos, trunks and baggage, office furniture and equipment between the termini of San Francisco and Los Angeles and the termini of Oakland and Los Angeles, via both coast route and the San Joaquin Valley route state highway, including all intermediate points on said highways and also all points within territory extending a distance of thirty miles on either side of said highways.

By Decision No. 13775, dated July 3, 1924 in Application No. 9730.

This decision permits the operation by the co-partners of an automobile truck service as a common carrier of household goods, furniture, pianos and other personal effects, including trunks and baggage over the following routes:-

1. Between San Francisco, Oakland and Sacramento and intermediate points via Vallejo; and
2. Between San Francisco, Santa Rosa and intermediate points, via Sausalito, San Rafael and Petaluma; and
3. Between San Francisco, Oakland, Berkeley, Alameda, Piedmont and Emeryville;

the authority granted permitting the transportation between San Francisco and Sacramento and between San Francisco and Santa Rosa to points laterally on either side of the main highways traversed and beyond the terminals named to a distance not to exceed thirty miles.

By Decision No. 15085, dated June 22, 1925, in Application No. 9993.

This decision permits the operation by the co-partners of an automobile truck service as a common carrier of office furniture and equipment, house furniture, household goods, pianos, musical instruments and trunks and personal effects (as a part and in connection with household goods and excluding sample cases, commercial trunks and baggage) over the routes, and all intermediate points on each route and including a distance of thirty miles on either side of the highway comprising the main route and thirty miles beyond terminal points, as follows:-

1. Between Los Angeles and San Fernando via Glendale;
2. Between Los Angeles and Pasadena;
3. Between Los Angeles and San Pedro and Long Beach;
4. Between Los Angeles and Redondo, Hermosa and Manhattan Beach;
5. Between Los Angeles and Venice, Ocean Park and Santa Monica;
6. Between Los Angeles and Banning;
7. Between Los Angeles and San Diego;

providing that the commodities transported are not intended for resale.

Decision No. 15085 also permitted the co-partners to join and consolidate the rights granted therein with the rights previously authorized by the certificates granted in the other two proceedings by Decision No. 12980, as amended by Decision No. 14052, and by Decision No. 13775, thus permitting through service from point to point over the regular routes as defined, and the filing of through rates covering such service.

The co-partners have caused the organization of Bekins Van Lines, Inc., the other applicant herein, and hereinafter sometimes referred to as the corporation, for the purpose of taking over all these operative rights and the assets, subject to outstanding liabilities, which they have heretofore operated under the name of Bekins Fireproof Storage. These assets and liabilities as of November 1, 1924, the date of organization of the corporation, were reported as follows:-

ASSETS

Motor truck and trailers	\$58,347.02	
Moving equipment	1,330.98	
Franchise	5,000.00	
Prepayments	345.35	
Total assets		\$65,023.35

LIABILITIES:

Accounts payable	8,757.07	
Accruals	2,566.28	
Total liabilities		11,323.35
Balance		<u>\$53,700.00</u>

For the year ending October 31, 1925 Bekins Van Lines, Inc. reports its revenues and operating expenses as follows:-

OPERATING REVENUES:

Line hauling	\$116,237.79	
Transbay line hauling	22,246.64	
Loading and unloading	30,518.31	
Total		\$169,002.74

OPERATING EXPENSES:

Salaries and wages	65,181.02	
Automobile and truck expenses	23,390.91	
Depreciation of automobiles, trucks, and trailers	16,216.00	
Depreciation of moving equipment	1,114.70	
Administrative expenses charged by Bekins Van & Storage Company	30,674.53	
Tolls	4,650.19	
Taxes	4,307.00	
Rent	8,100.00	
Truck rentals	7,301.46	
Advertising	2,024.19	
Drivers' expenses	3,111.92	
Loss and damage	1,698.89	
Loading and unloading expenses	1,104.74	
Commissions	1,777.36	
Legal expenses	1,242.18	
Compensation insurance	1,194.16	
Bonus	1,350.00	
Miscellaneous	2,768.33	
Total		177,207.58
Net loss from operations		<u>\$8,204.84</u>

It appears that the \$5,000.00 value claimed for franchise is an appraisal by officers of the company. On April 3, 1926, however, the Commission received a letter from Mr. Walter E. Burke, applicants' attorney, requesting that the amount be eliminated from the application and no stock be authorized against it. The order herein will therefore authorize the issue of \$48,700.00 of stock.

ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer of operative rights and the issue of \$53,700.00 of stock, and the Commission being of the opin-

ion that this is a matter in which a public hearing is not necessary and that the application should be granted as herein provided, and that the issue of \$48,700.00 of stock is reasonably required for the purpose specified herein.

IT IS HEREBY ORDERED that Milo W. Bekins, Reed J. Bekins, Floyd R. Bekins and Ruth M. Holt, co-partners doing business under the firm name and style of Bekins Fireproof Storage Co., and they are hereby, authorized to transfer to Bekins Van Lines, Inc., a corporation, the operative rights heretofore granted them by Decision No. 12980, dated January 3, 1924, as amended by Decision No. 14052, dated September 12, 1924, in Application No. 9181; by Decision No. 13775, dated July 3, 1924 in Application No. 9730; and by Decision No. 15085, dated June 22, 1925, in Application No. 9993, together with the automobiles, trucks, trailers and other personal property referred to in the financial statement on file in this proceeding, and Bekins Van Lines, Inc., a corporation, be, and it is hereby, authorized to issue in payment for such operative rights and properties, \$48,700.00 of its common capital stock.

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

- (1) Milo W. Bekins, Reed J. Bekins, Floyd R. Bekins and Ruth M. Holt shall cancel immediately all time schedules, tariffs, rates and classifications now on file with the Railroad Commission and Bekins Van Lines, Inc., a corporation, shall file new time schedules, tariffs, rates and classifications identical with those heretofore filed by Milo W. Bekins, Reed J. Bekins, Floyd R. Bekins and Ruth M. Holt, or adopt as its own the time schedules, tariffs, rates and classifications heretofore filed by Milo W. Bekins, Reed J. Bekins, Floyd R. Bekins and Ruth M. Holt; such cancellation and filing to be in accordance with the

provisions of General Order No. 51 and other regulations of this Commission.

- (2) Bekins Van Lines, Inc., a corporation, hereafter shall not transfer, assign, lease, sell, hypothecate or discontinue the rights and privileges it is herein authorized to acquire unless it first receives the consent of the Railroad Commission.
- (3) No vehicles may be operated by Bekins Van Lines, Inc., a corporation, unless such vehicles are owned by such corporation, or are leased by it on a basis satisfactory to this Commission.
- (4) Bekins Van Lines, Inc., a corporation, shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.
- (5) The authority herein granted shall become effective upon the date hereof.

FURTHER

IT IS HEREBY ORDERED that the application insofar as it relates to the issue of \$5,000. of stock be, and it is hereby, dismissed without prejudice.

DATED at San Francisco, California, this 10th day of April, 1926.

H. B. ...
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Commissioners.