

LRA

Decision No. 20430

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ELMER E. FROST and INA M. FROST)
to sell and Fast Freight Forwarding)
Co., a corporation, to purchase)
express transportation service)
operating between Los Angeles and)
San Diego, and for permission of)
Fast Freight Forwarding Co. to)
issue certain stock.)

Application No. 14993.

Harvey H. Atherton, for applicants.

BY THE COMMISSION:

O P I N I O N

Frost Fast Freight Service, a co-partnership consisting of Elmer E. Frost and Ina M. Frost, asks permission to sell its properties to the Fast Freight Forwarding Co., a corporation. The latter asks authority to purchase the properties and issue \$2,500.00 of stock for the purposes hereinafter stated.

The Fast Freight Forwarding Co. was organized during July 1928, under and by virtue of the laws of California. It has an authorized stock issue of \$25,000.00 divided into 2,500 shares of the par value of \$10.00 each.

The Commission by Decision No. 19664, dated April 23, 1928, in Case 2519, held that the Frost Fast Freight Service was an express corporation operating between Los Angeles and San Diego under the jurisdiction of the Railroad Commission. The organizers of

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Fast Freight Forwarding Co. have heretofore acted as the San Diego representative of the Frost Fast Freight Service and report that they are familiar with the business conducted by the latter. It is proposed that Case and Robinson, a copartnership, collect freight both in Los Angeles and San Diego and deliver it to the Fast Freight Forwarding Co. and also deliver freight received at either terminal to the consignee²²³. We have considered the manner in which the Fast Freight Forwarding Co. intends to operate and it is our conclusion that this company's method of operation is substantially the same as that of the Frost Fast Freight Service. We therefore find that the purchaser is a public utility express corporation under the jurisdiction of the Railroad Commission.

The Fast Freight Forwarding Co. proposes to pay Elmer E. Frost and Ina M. Frost \$1,000.00 for their properties consisting of portable office equipment at the Santa Fe Depot in Los Angeles, office stationery, advertising matters, signs and a lease hold right for space on the depot platform of the Santa Fe at Los Angeles and the goodwill of the business. In addition it asks authority to issue \$1,500.00 of stock for working capital. Applicant alleges that it needs such working capital in order that it can be in a position to make necessary advances for its customers.

The record shows that all of the stock which the Fast Freight Forwarding Co. will issue will be acquired by Harvey H. Atherton, William Case and Earl H. Robinson and that Elmer E. Frost and Ina M. Frost will withdraw from the business heretofore conducted by them as an express corporation between Los Angeles and San Diego.

O R D E R

Elmer E. Frost and Ina M. Frost, doing business under the firm name and style of Frost Fast Freight Service, having asked permission to sell their properties to the Fast Freight Forwarding Co., and Fast Freight Forwarding Co. having asked permission to issue \$2,500.00 par value of its common capital stock, a public hearing having been had before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of \$2,500.00 of stock is reasonably required by Fast Freight Forwarding Co. and that expenditures herein authorized are not chargeable in whole or in part to operating expenses or to income and that this application should be granted; therefore,

IT IS HEREBY ORDERED as follows:-

1. Elmer E. Frost and Ina M. Frost, doing business under the name of Frost Fast Freight Service be, and they are hereby, authorized to sell the properties described in this application to the Fast Freight Forwarding Co.
2. Fast Freight Forwarding Co. be, and it is hereby authorized to issue and sell for cash at not less than par on or before June 30, 1929, \$2,500.00 par value of its common capital stock and use \$1,000.00 of the proceeds to acquire the aforesaid properties and \$1,500.00 of the proceeds to provide itself with working capital.
3. Fast Freight Forwarding Co. shall file with the Railroad Commission a report or reports as required by the Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

4. The consideration which the East Freight Forwarding Co. will pay for the properties of Elmer E. Frost and Ina M. Frost shall not be urged before this Commission or any other body having jurisdiction over the rates of the East Freight Forwarding Co. as a measure of the value of the properties acquired from said Elmer E. Frost and Ina M. Frost for any purpose other than the transfer herein authorized.
5. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 7th
day of November, 1928.

Leon Whittell

C. J. Seamy

Ernest A. B. H.

Paul D. Laidlaw

M. J. Cunn

Commissioners.