

Decision No. 20679.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of SOUTHERN PACIFIC COMPANY, a
corporation, and INDUSTRIAL TERMINAL
RAILWAY COMPANY, a corporation, for
an order authorizing Southern Pacific
Company to acquire and Industrial
Terminal Railway Company to transfer
all of the real and personal property
of Industrial Terminal Railway Company.

ORIGINAL

Application No. 14922.

BY THE COMMISSION:

O R D E R

Southern Pacific Company, a corporation, and Industrial Terminal Railway Company, a corporation, filed the above entitled application with this Commission on July 27, 1928, asking for an order authorizing the former to acquire and the latter to transfer all of the physical properties and assets of said Industrial Terminal Railway Company.

Industrial Terminal Railway Company was incorporated on March 20, 1915, to lay out, construct or acquire by purchase or lease, or otherwise, railroads, and to operate and maintain the same and to do such other things as more specifically set forth in its Articles of Incorporation, a certified copy of which is attached to the application and marked "Exhibit B". The Industrial Terminal Railway Company has constructed only approximately six hundred ninety (690) feet of railroad track but has acquired and owns certain real property as described in the application.

Applicants allege that all the outstanding stock of Industrial Terminal Railway Company, with the exception of one

share each issued to directors of said company for the purpose of qualifying same as directors, is owned by Southern Pacific Company; that the amount of said stock, held by Southern Pacific Company is four thousand one hundred sixty-six (4,166) shares of the par value per share of One hundred (100) Dollars; that said stock is all common stock; that said stock is carried on the books of Southern Pacific Company at a book value of six hundred seventy-four thousand nine hundred ninety-six and 07/100 (\$674,996.07) Dollars; that the Industrial Terminal Railway Company is indebted to Southern Pacific Company as of July 1, 1928, in the sum of \$28,601.44.

Southern Pacific Company proposes to surrender to Industrial Terminal Railway Company said four thousand, one hundred sixty-six (4,166) shares of common stock and to cancel said indebtedness of \$28,601.44 in exchange for the transfer by the latter company to the former company of all of the physical property and assets of Industrial Terminal Railway Company.

Applicants further allege that the original cost of the eleven parcels of real property described in the application, including buildings, appurtenances and approximately 690 feet of spur track was four hundred fifty-six thousand, two hundred sixty-one and 32/100 (\$456,261.88) Dollars, and that the present value thereof is approximately seven hundred thousand (\$700,000.00) Dollars; that the property of Industrial Terminal Railway Company is desired by Southern Pacific Company for the purpose of permitting it to dissolve said Industrial Terminal Railway Company thus avoiding the necessity of keeping two corporate organizations alive where one will suffice; that the public needs and convenience will be subserved by the transfer as proposed and the public service will be benefited.

It appears to this Commission that the present proceeding is not one in which a public hearing is necessary; that the transfer proposed is in the public interest and that this application should be granted, therefore,

IT IS HEREBY ORDERED that Industrial Terminal Railway Company, a corporation, be and it is hereby authorized to transfer all of its physical property and assets to Southern Pacific Company, a corporation, and Southern Pacific Company be and it is hereby authorized to acquire said physical property and assets, all as set forth in the application, subject, however, to the following conditions:

(1) The transfer herein granted shall be effected within one year from the date hereof; otherwise the authorization herein granted shall then lapse and become ineffective.

(2) Applicant, Southern Pacific Company, shall within thirty (30) days of the date of this order notify this Commission in writing of the completion of the property transfer herein authorized.

(3) The authority herein granted shall not be urged by applicants as a determination of the value of the properties to be transferred, for any purpose except the transfer herein authorized.

(4) Applicants shall not use the granting of this application, either by way of defense or argument, on the ground of capital expenditure or in any way against any order of this Commission heretofore or hereafter made, providing for any railroad unification or terminal plans in the City of Los Angeles.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 17th day of January, 1929.

Thos D. Lewis
C. S. Seaman
Ernest C. Smith
Leon Whitely
W. R. ...
 Commissioners.