

Decision No. 25630

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GEORGE G. HARM, HAROLD B. FRASHER,)
and B. O. THOMAS, doing business under)
the firm name and style of Valley)
Express Company, for authority to sell)
and transfer, and VALLEY EXPRESS CO.,)
a corporation, to purchase and acquire)
the express business of, and all of the)
assets, equipment and property used and)
useful in the operation of said express)
business by the former.)

ORIGINAL

Application No. 18606

Sanborn & Roehl, 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 George G. Harm, Harold B. Frasher and B. O. Thomas to sell and transfer their express business, assets, equipment and property to Valley Express Co., a corporation.

It is reported that George G. Harm, Harold B. Frasher and B. O. Thomas, doing business under the firm name and style of Valley Express Company, are operating an express business over various certificated highway transportation companies between various points in California. The points served and the rates, rules and regulations are set forth in their Local Express Tariff No. 1-B, issued on February 4, 1932, and effective on March 5, 1932, and their Local Express Tariff No. 2, issued on October 22, 1932, and effective on November 25, 1932, together with supplements thereto.

Valley Express Co. was organized under the laws of the State of California on or about November 22, 1930, with an authorized capital stock of \$250,000.00, divided into 10,000 shares of the par value of

\$25.00 each, all common. It has outstanding \$66,025.00 of stock which was issued under authority granted by the Commissioner of Corporations and which appears to be held by George G. Harm, Harold B. Frasher and B. O. Thomas, applicants herein. It appears that the corporation at present is inactive and this application shows that it owns no property, except accounts receivable and other current assets.

In this application statements have been filed showing the assets and liabilities, as of November 30, 1932, of Valley Express Company and Valley Express Co., a corporation. These are as follows:

<u>ASSETS</u>	<u>VALLEY EXPRESS COMPANY</u>	<u>VALLEY EXPRESS CO.</u>
Current Assets:		
Cash.....	\$ 6,967.36	\$ 10.18
Freight bills receivable.....	19,648.08	-
Total current assets.....	<u>26,615.44</u>	<u>10.18</u>
Fixed Assets:		
Organization expense.....	1,091.84	658.58
Improvements-leased property.....	3,740.73	-
Machinery, tools, equipment.....	733.16	-
Pick-up trucks.....	19,385.24	-
Furniture and fixtures.....	10,346.21	-
Service cars.....	690.00	-
Total fixed assets.....	<u>35,987.18</u>	-
Depreciation reserve.....	14,751.03	-
Balance-fixed assets.....	<u>21,236.15</u>	<u>658.58</u>
Deferred Assets.....	2,557.80	-
Receivable from officers.....	-	10,720.82
Receivable from Valley Motor Lines, Inc.....	-	<u>75,379.48</u>
Total Assets.....	<u>\$50,409.39</u>	<u>\$86,769.06</u>
 <u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable.....	\$14,269.82	\$ 101.66
Uncollected C.O.D.'s.....	2,607.53	-
Total current liabilities.....	<u>16,877.35</u>	<u>101.66</u>
Notes payable.....	5,111.64	-
Due to Valley Motor Lines, Inc.....	23,946.25	-
Reserve for taxes.....	-	5,557.38
Partnership capital and surplus.....	4,474.15	-
Capital stock.....	-	66,025.00
Corporate surplus.....	-	<u>15,085.02</u>
Total Liabilities.....	<u>\$50,409.39</u>	<u>\$86,769.06</u>

The application shows that George G. Harn, Harold B. Frasher and B. O. Thomas have arranged to transfer the business, assets, equipment and property of Valley Express Company, carried on the foregoing balance sheet at \$50,409.39, to Valley Express Co., the corporation in which they are the stockholders, in consideration of the sum of \$10.00 in cash, plus the assumption by the corporation of their liabilities in the express business, aggregating \$45,935.24 on November 30, 1932.

The properties to be transferred, according to the application, include sixteen trucks, one tractor and one trailer. In Exhibits "A" and "B", the ledger balance of the rolling stock is reported at \$19,385.24 and the appraised present value at \$8,672.75. An examination of applicants' records by members of the Commission's staff shows that the appraised value represents the original purchase price of the equipment, less depreciation estimated to have accrued to date.

We are not in this proceeding called upon to make a finding of the value of the properties to be transferred, nor to pass upon the capitalization of such properties. It should be understood that the Commission reserves the right to examine applicants' statements de novo, if it is hereafter called upon to authorize Valley Express Co. to issue any stock or indebtedness. Neither are we passing upon the validity of any of the operations, operating contracts nor any indebtedness which Valley Express Co. proposes to assume.

ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer of properties, as set forth in the

preceding opinion, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted as herein provided,

IT IS HEREBY ORDERED, that George G. Harm, Harold B. Frasher and B. O. Thomas, doing business under the firm name and style of Valley Express Company, be, and they hereby are, authorized to sell and transfer the express business, assets, equipment and property of Valley Express Company to Valley Express Co., a corporation, in consideration of the sum of \$10.00 in cash, lawful money of the United States, and the assumption by said corporation of the liabilities of said applicants George G. Harm, Harold B. Frasher and B. O. Thomas, doing business under the firm name and style of Valley Express Company, aggregating \$45,935.24, as shown in the balance sheet in the preceding opinion.

The authority herein granted is subject to the following conditions:

1. The consideration to be paid for the properties herein authorized to be transferred shall never be urged before this Commission or any other public body as determining the value of said properties for any purpose other than the transfer herein authorized.
2. Valley Express Company shall immediately unite with Valley Express Co., a corporation, in common supplement, to be filed in triplicate, to the tariffs now on file with the Commission in the name of Valley Express Company, the former withdrawing and the latter adopting and establishing as its own such tariffs and all effective supplements thereto.

3. The authority herein granted will become effective
fifteen (15) days after the date hereof.

DATED at San Francisco, California, this 14th day of
February, 1933.

Al Seaver
Leon Whitney
W. J. Van
M. B. Lewis
W. H. ...

Commissioners.