

ORIGINAL

Decision No. 7571

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CITY TRANSFER VAN AND STORAGE COMPANY)
 for authority to transfer all right,)
 title and interests in auto truck line)
 operated between Los Angeles and Long) Application No. 5511.
 Beach to CITY TRANSFER AND STORAGE)
 COMPANY, and application of the latter)
 company to take over and operate said)
 auto truck line hereafter.)

In the Matter of the Application of)
 CITY TRANSFER AND STORAGE COMPANY, a)
 corporation, for an order authorizing) Application No. 5540.
 the issuance of one thousand shares)
 of capital stock.)

Daly & Daly, for Applicants.

BY THE COMMISSION:

O P I N I O N

The two above-entitled applications were heard together before Examiner Gordon at Los Angeles on April 12, 1920, it being stipulated that the evidence submitted be deemed applicable to both matters so far as material. They will, therefore, be disposed of in one decision.

Under Application No. 5540, CITY TRANSFER AND STORAGE COMPANY, a corporation, of Long Beach, California, asks permission to issue \$100,000 of common capital stock.

Under Application No. 5511, CITY TRANSFER VAN AND STORAGE COMPANY, a copartnership, asks permission to sell

transfer to the City Transfer and Storage Company, a corporation, all its properties heretofore employed in its business of operating a general storage warehouse and baggage business in the City of Long Beach, and its auto truck service as a common carrier between the cities of Los Angeles and Long Beach, the consideration being \$50,000 of the stock of the corporation and the assumption by the corporation of the liabilities of the partnership. The evidence shows that each of the partners is to receive a proportionate number of shares in the corporation. The only change, therefore, which will result in the transfer is a change in the form of management of the business. No protests have been filed, and all of the partners joined in a request that the transfer be made.

Exhibit "A" attached to the petition in Application No. 5540 sets forth the assets and liabilities of the partnership as of February 28, 1920, as follows:

ASSETS:

Real Estate - - - - -	\$25,246.75
Buildings - - - - -	30,118.32
Auto trucks and equipment - - - - -	36,247.90
Horses, wagons and equipment - - - - -	1,272.50
Miscellaneous equipment - - - - -	2,764.41
Furniture and fixtures - - - - -	1,370.00
Packing material - - - - -	264.85
Stores - - - - -	802.40
U.S. Bonds - - - - -	50.00
Notes receivable - - - - -	126.02
Accounts Receivable - - - - -	13,200.75
Deferred charges - - - - -	1,210.39
Cash - - - - -	201.15
Total Assets - - - - -	\$112,875.44

LIABILITIES:

Notes payable - - - - -	\$ 43,297.66
Equipment notes - - 10,847.66	
Sundry notes - - - 950.00	
National Bank of Long Beach - - - - -	14,000.00
L.B.Sav.Bk.& Trust Co. - - - - -	17,500.00
Accounts payable - - - - -	7,155.72
Interest accrued - - - - -	306.25
Due Internal Revenue Collector - - - - -	166.04
Reserve for depreciation - - - - -	1,400.00
Partnership net worth - - - - -	60,549.87
Total Liabilities - - - - -	\$112,875.44

Exhibit "1" introduced at the hearing shows:

Partnership gross earnings for	
1919 in the sum of - - - -	\$113,895.99
Operating expenses, includ-	
ing depreciation - - - - -	<u>107,439.89</u>
Net gain - - - - -	\$ 6,456.10

The gross earnings from the interurban freight business are reported as \$57,337.28, or approximately one-half of the total gross earnings.

The partnership owns in fee simple four lots 85 feet wide by 320 feet long with the alley closed, or 300 feet long with the alley open. On these lots are two buildings: one, a 2-story Class "B" brick building 60 x 100 feet, another, a 1-story building 85 x 90 feet. It is the intention of the corporation, if it is permitted to acquire the properties, to construct at an estimated cost of \$100,000 a concrete fireproof building adjoining the two buildings. The partnership will transfer to the corporation 15 auto trucks, having a total tonnage capacity of 26½ tons. In addition, there will be transferred to the partnership 4 trailers and 3 Ford roadsters. On the equipment there was due on February 28, 1920, the sum of \$10,847.66. The corporation asks authority to issue and sell \$40,000 of its stock at not less than 90, and use part of the proceeds to pay the balance due on the equipment, pay \$25,797.66 of notes outstanding and use the remainder to pay in part for the new building.

The evidence further shows that the public utility business of the partnership will be continued in all respects by the corporation.

O R D E R .

CITY TRANSFER AND STORAGE COMPANY, a corporation, having applied to the Railroad Commission for permission to issue \$100,000 of stock, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured by such issue is reasonably required by applicant, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income; and

CITY TRANSFER VAN AND STORAGE COMPANY, a copartnership, having applied to the Railroad Commission for authority to transfer all its properties heretofore employed in its business of operating a general storage warehouse and transfer business and auto truck service as a common carrier to the City Transfer and Storage Company, a corporation, organized for the purpose of carrying on the same public utility business, the consideration of said transfer being \$60,000 of stock in said corporation, and the assumption by the corporation of the liabilities of the partnership;

And the Commission being of the opinion that the interests of the public are not in any way prejudiced by said transfer, and that the application should be granted;

IT IS HEREBY ORDERED, that CITY TRANSFER AND STORAGE COMPANY be, and it is hereby, authorized to issue \$100,000 of its common capital stock.

The authority herein granted is subject to the following conditions:

- 1.- Of the stock herein authorized, \$60,000 shall be issued to City Transfer, Van and Storage Company, a copartnership, in exchange for all its properties, subject to the copartnership's indebtedness;
- 2.- Stock in the amount of \$40,000 may be sold by applicant for cash at not less than 90 per cent of

its par value, and not exceeding \$25,790.66 of the proceeds used to pay equipment notes, sundry notes and a note due the National Bank of Long Beach, referred to in Exhibit "A" attached to the petition herein. The remainder of the proceeds shall be expended only for such purposes as the Railroad Commission may authorize in a supplemental order or orders in this proceeding;

- 3.- City Transfer and Storage Company shall keep such record of the issue and sale 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.
- 4.- The authority herein granted will apply only to such stock as may be issued on or before November 15, 1920.

IT IS HEREBY FURTHER ORDERED, that the CITY TRANSFER VAN AND STORAGE COMPANY, a copartnership, be, and it is hereby, authorized to sell and transfer to the CITY TRANSFER AND STORAGE COMPANY, a corporation, all its properties referred to in said Application No. 5511, upon the condition that the said City Transfer and Storage Company shall continue in all respects the public utility business above referred to, heretofore operat-

ed by the said City Transfer Van and Storage Company.

The consideration at which the public utility properties are herein authorized to be transferred shall not be considered as a measure of value of said properties before this Commission or any other public body for rate-fixing or any other purposes.

Dated at San Francisco, California, this 13th day of May, 1920.

Edwin O. Eyster

H. D. Loveland

H. T. Bondage

Commissioners.