

Decision No. _____

33376

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Lewis W. Chandler and Edwin R. Chandler to sell, and San Diego Forwarding Company, a California corporation, to purchase, an express company operated between Los Angeles, California, and San Diego, California, and for permission and authorization to issue stock.

Application No. 23376

Reay, Scharf & Reay, by Dwight H. Reay
for applicants.

BY THE COMMISSION:

O P I N I O N

In this application, as amended, the Commission is asked to enter its order authorizing Lewis W. Chandler and Edwin R. Chandler, co-partners, doing business under the fictitious firm name and style of San Diego Forwarding Co., to transfer the properties described in Exhibit "A" filed in this proceeding, to San Diego Forwarding Company, a corporation, and authorize said corporation to issue 1,000 shares of common stock of the par value of \$10 each and a \$6,000, 5% note.

The Commission, by Decision No. 32175, dated July 18, 1939, in Application No. 22841, authorized Charles W. Gamble, doing business as San Diego Forwarding Company to sell and transfer to Lewis W. Chandler and Edwin R. Chandler whatever operative rights he possessed for the transportation of property from Los Angeles to San Diego, as an express corporation. The sale and

transfer of such operative rights was authorized subject to the terms and conditions of said Decision No. 32175, dated July 18, 1939.

The testimony in the instant proceeding shows that Lewis W. Chandler and Edwin R. Chandler, co-partners, doing business under the fictitious firm name and style of San Diego Forwarding Co. are presently engaged in an express operation from Los Angeles to San Diego, and that they operate as a city carrier in the City of San Diego, and as a radial highway common carrier out of San Diego. The volume of business which they are now conducting is about three times in excess of the business formerly conducted by Charles W. Gamble. The record shows that the properties and business they desire to transfer have a net worth of about \$16,000. In its original petition, applicant, San Diego Forwarding Company, a corporation, desired permission to issue \$12,000 of 6% preferred stock and \$10,000 of common stock. This request as indicated has been modified and said San Diego Forwarding Company, a corporation, now desires authority to issue \$10,000 of common stock and a \$6,000 note in payment for the properties and business, which it intends to acquire from Lewis W. Chandler and Edwin R. Chandler, co-partners, doing business under the fictitious firm name and style of San Diego Forwarding Co. The \$6,000 note will carry interest at the rate of 5% per annum, payable semi-annually. The principal of the note is payable in semi-annual installments of \$600 or more on the 15th day of January and on the 15th day of July of each year, beginning

on July 15, 1940. It is proposed to issue the 1,000 shares of common stock to the following parties:

To Lewis W. Chandler	245 shares
To Edwin R. Chandler	245 "
To Lewis W. Chandler, Edwin R. Chandler, and Virgil B. Windle, as joint tenants, with right of survivorship	20 "
To Virgil B. Windle	490 "

The order herein will authorize the issue of the stock and note in payment for the assets and business of said Lewis W. Chandler and Edwin R. Chandler, co-partners, doing business under the fictitious firm name and style of San Diego Forwarding Co. We are not concerned with the eventual distribution of the stock. However, such order should not be construed as a finding as to the nature, scope or extent of the operative rights which San Diego Forwarding Company will acquire under the authority granted by said order.

O R D E R

A public hearing having been held on the above entitled matter before Examiner Fankhauser and the Commission having considered the testimony submitted at such hearing, and it being of the opinion that the issue of the common stock and the note mentioned in the opinion herein are reasonably required for the purposes herein authorized and that the expenditures of the proceeds from the issue of said stock are not in whole or in part reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED as follows:

1. Lewis W. Chandler and Edwin R. Chandler, co-partners, doing business under the fictitious firm name and style of San Diego Forwarding Co. be, and they are hereby, authorized to sell and transfer, after the effective date hereof and prior to August 1, 1940, to San Diego Forwarding Company, a corporation, the operative rights which they acquired under the authority granted by Decision No. 32175, dated July 18, 1939, together with the other properties and business described in Exhibit "A" filed in this proceeding, provided that the authority herein granted should not be construed as a finding as to the nature, scope or extent of said operative rights.

2. In part payment for the aforesaid tangible properties, current assets, and business, San Diego Forwarding Company, a corporation, may issue, after the effective date hereof and prior to August 1, 1940, \$10,000 of its par value common capital stock.

3. In payment for the aforesaid intangible properties, and in part payment for said current assets and business, San Diego Forwarding Company, a corporation, may issue, after the effective date hereof and prior to August 1, 1940, a \$6,000 note, such note to be payable in semi-annual installments of \$600 or more on the 15th day of January and on the 15th day of July of each year, beginning on July 15, 1940. Said note may bear interest at the rate of 5% per annum, payable semi-annually on the 15th day of July and on the 15th day of January of each year. The Commission finds that the issue of said note is reasonably required for the purpose herein stated.

4. The authority herein granted will become effective when San Diego Forwarding Company, a corporation, has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

5. Applicants, Lewis W. Chandler and Edwin R. Chandler, co-partners, doing business under the fictitious firm name and style of San Diego Forwarding Co. shall within twenty days after the effective date of this order unite with applicant, San Diego Forwarding Company, a corporation, in common supplement to the tariffs, and file with the Commission, governing service given under the right herein authorized to be transferred, applicants, Lewis W. Chandler and Edwin R. Chandler, withdrawing, and applicant, San Diego Forwarding Company, a corporation, accepting and establishing such tariffs and all effective supplements thereto.

6. The rights and privileges herein authorized to be transferred may not again be sold, leased, transferred or assigned, or service thereunder discontinued, unless the written consent of the Commission to such sale, lease, transfer, assignment or discontinuance has first been obtained.

7. The San Diego Forwarding Company, a corporation, shall within thirty (30) days after the issue of the stock and note herein authorized file a report with the Commission showing the amount of stock and the face amount of the note issued under the authority herein granted, to whom said stock and said note were issued, and the purposes for which said stock and said note were issued.

8. Within thirty (30) days after the issue of the stock and the note herein authorized, San Diego Forwarding Company, a corporation, shall file with the Railroad Commission a copy of the bill of sale or other instrument of conveyance under which it holds title to the properties and business acquired through the issue of said stock and note.

Dated at San Francisco, California, this 6th day of May, 1940.

Ray L. Sweeney
Raymond Swain
Ralph A. Sweeney
H. S. Sweeney
Justin J. Sweeney
Commissioners.

