

Decision No. 34901

ORIGINAL

376

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SANTA FE EXPRESS & DRAYAGE COMPANY, a corporation, for an order authorizing it to issue and sell five (5) shares of its capital stock and of INTER-URBAN EXPRESS CORPORATION, a corporation, for an order authorizing it to purchase and acquire said stock.

Application No. 24649

BY THE COMMISSION:

O P I N I O N

The Santa Fe Express & Drayage Company, a corporation, asks permission to issue and sell at par to Inter-Urban Express Corporation \$500.00 par value of its common capital stock.

The Santa Fe Express & Drayage Company is engaged in the business of a public warehouseman in the City of Oakland, California. The space in which it conducts such business is leased from Inter-Urban Express Corporation at premises located at 4th and Clay Streets, Oakland, California.

The Inter-Urban Express Corporation operates as a highway common carrier generally between San Francisco, Oakland, Berkeley, Emeryville, Piedmont and Alameda on the one hand, and points San Pablo to Martinez on the other. For the eleven months ending November 30, 1941 it reports operating revenues of \$285,217.31, and operating expenses and other disbursements of \$262,299.31, leaving a profit of \$22,918.00. In contrast, the Santa Fe Express & Drayage Company, for the eleven months

ending November 30, 1941 reports storage revenues of only \$222.42. Its expenses are reported at \$92.00 and its net profit at \$132.42. Its investment in warehouse property and equipment is reported at \$117.61.

The properties of the Santa Fe Express & Drayage Company are managed by the same parties who manage the business of the Inter-Urban Express Corporation. The acquisition of \$500.00 of stock of Santa Fe Express & Drayage Company by Inter-Urban Express Corporation will not result in a change in the management of the business of the Santa Fe Express & Drayage Company.

Q R D E R

The Commission having considered applicants' requests and it being of the opinion that this is not a matter on which a hearing is necessary; that Santa Fe Express & Drayage Company should be permitted to issue and sell five (5) shares (\$500.00 par value) of its common capital stock to Inter-Urban Express Corporation; that the money, property or labor to be procured or paid for by Santa Fe Express & Drayage Company through the issue of said stock is reasonably required by said Santa Fe Express & Drayage Company for the purposes herein stated; that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, therefore,

IT IS HEREBY ORDERED as follows:

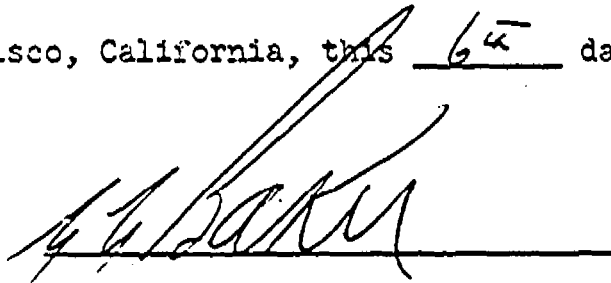
1. Santa Fe Express & Drayage Company may issue and sell, on or before April 1, 1942, to Inter-Urban Express Corporation at not less than par for cash five (5) shares (\$500.00 par

value) of its common capital stock and use the proceeds realized through the issue and sale of said stock for the acquisition of property and the improvement and maintenance of its business.

2. Inter-Urban Express Corporation may acquire and hold said \$500.00 par value of common capital stock of Santa Fe Express & Drayage Company.

3. Within thirty (30) days after the issue of the stock herein authorized Santa Fe Express & Drayage Company shall file with the Railroad Commission a statement showing the amount of stock issued under the authority herein granted, to whom it issued said stock, and the consideration received for said stock.

Dated at San Francisco, California, this 6th day of January, 1942.



Justus F. Craven

Francis D. Havener

Richard M. Baker
Commissioners