

ORIGINAL

Decision No. 36246

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
NAPA TRANSPORTATION COMPANY, a cor-
poration, and KELLOGG EXPRESS AND
DRAYING CO., a corporation, for an
order authorizing them to merge.

Application No. 25353

Reginald L. Vaughan, for Applicants.

BY THE COMMISSION:

O P I N I O N

Napa Transportation Company and Kellogg Express and Draying Co. ask permission to execute a merger agreement similar in terms to the merger agreement on file in this proceeding as Exhibit "A."

Under the authority granted by Decision No. 35626, dated July 28, 1942, in Application No. 24215, Kellogg Express and Draying Co. acquired all of the outstanding stock, \$15,000, of Napa Transportation Company. Upon the merger of the two companies, this stock will be canceled.

Quoting from Decision No. 35626: "Napa Transportation Company is a California corporation organized on or about March 6, 1936. It is engaged in conducting operations by vessels solely within and upon the inland waters of California

for the transportation of freight as a common carrier in intrastate, interstate and foreign commerce between San Francisco Bay points, on the one hand, and Mare Island, Vallejo and Napa, and points between Napa and Vallejo, on the other hand, and by motor truck solely within California for the transportation of freight as a common carrier in intrastate, interstate and foreign commerce between San Francisco and Napa. The Commission in previous decisions has defined the extent of the company's operative rights. (1)"

Applicants propose to merge under and in accordance with the provisions of Section 361 of the Civil Code of California. The merger agreement amends the Articles of Incorporation of Kellogg Express and Draying Co. and authorizes that company to operate vessels, and provides Kellogg Express and Draying Co. with an authorized capital stock issue of \$100,000, divided into 1,000 shares of the par value of \$100 each.

Through the merger, applicant Kellogg Express and Draying Co. will acquire two vessels which upon the granting of Application No. 25342 it can use in the conduct of its transportation service between San Francisco and Richmond. Further, the merger should result in decreased operating expenses.

In Exhibit 3, the assets and liabilities of Napa

"(1) Decision No. 28285, dated October 14, 1935, in Application No. 19468; Decision No. 30107, dated September 7, 1937, in Application No. 21104; Decision No. 34777, dated November 18, 1942, in Application No. 24133, and Decision No. 35307, dated May 5, 1942, in Application No. 24132."

Transportation Company are reported as follows:

<u>Assets</u>		
Property and Equipment		\$24,546.27
Boats and Line equipment	\$13,237.37	
Trucks and equipment	8,075.66	
Wharf equipment	2,698.42	
Office and others	<u>534.82</u>	
Cash		2,424.54
Accounts Receivable		12,957.41
Materials and Supplies		1,459.83
Prepayments		<u>2,883.35</u>
Total Assets		<u>\$44,271.40</u>

<u>Liabilities</u>		
Capital Stock		\$15,000.00
Accounts Payable		11,522.45
Advance Payable		3,000.00
Accrued Taxes		1,469.02
State and Federal (1941)	\$ 811.60	
Social Security and C.R.C.		
Accruals	<u>657.42</u>	
Reserve for Accrued Depreciation		18,961.00
Surplus		<u>(5,681.07)</u>
Total Liabilities		<u>\$44,271.40</u>

Kellogg Express and Draying Co. should bring forward on its books the cost of the Napa Transportation Company's properties recorded as of September 30, 1942, plus additions and betterments to such properties less retirements. There is nothing in the record in this proceeding that warrants a restatement of the cost of the properties of Napa Transportation Company. Kellogg Express and Draying Co. through the merger becomes liable for the payment of all the indebtedness

of Napa Transportation Company.

No one appeared at the hearing to protest the granting of this application.

O R D E R

A public hearing having been held in the above entitled matter before Examiner Fankhauser; the Commission having considered the evidence submitted at such hearing and it being of the opinion that the granting of this application is in the public interest, therefore

IT IS HEREBY ORDERED that Napa Transportation Company and Kellogg Express and Draying Co. be, and they are hereby, authorized to execute, on or before March 1, 1943, an agreement for the merger of said Kellogg Express and Draying Co. and Napa Transportation Company, which agreement shall be similar in form to the agreement on file in this proceeding as Exhibit "A."

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of said agreement for the merger of said Kellogg Express and Draying Co. and Napa Transportation Company, Kellogg Express and Draying Co. shall file with the Railroad Commission a certified copy of said agreement.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof.

Dated at San Francisco, California, this 27th day
of December, 1942.

Justus F. Calver

Francis R. Havens
Richard K. Ketchum
Commissioners.