

Decision No. 36944

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ROSS A. ELEMING to sell, and WEST COAST
WAREHOUSE CORPORATION, a corporation,
to purchase, a public utility warehouse
business and operating authority.

Application No. 26011

Arlo D. Poe, For Applicant

BY THE COMMISSION:

O P I N I O N

Ross A. Eleming is presently engaged, among other things, in the operation of a public utility warehouse business in Long Beach, California. The warehouse business is being conducted in leased premises situated at 1276 Water Street in the City of Long Beach. He acquired the warehouse properties and business under the authority granted by Decision No. 34637, dated October 1, 1941, on Application No. 24471. For the year 1943 he reports warehouse operating revenues of \$41,280.87, and warehouse operating expenses, exclusive of Federal taxes, of \$30,531.40. His operating profit before Federal taxes amounted to \$10,749.47.

Applicant Ross A. Eleming has caused to be organized under the laws of California, West Coast Warehouse Corporation. He asks permission to sell his warehouse properties and business to said Corporation in exchange for 400 shares (\$10,000 par value) of common stock. The Corporation will acquire all of the assets, including cash and accounts receivable, used by Ross A. Eleming in his warehouse business and assume the payment of a \$5,000 note.

The note was issued for the purpose of obtaining funds to carry on the warehouse business. "Exhibit B" shows the net worth of the warehouse properties to be \$7,648. In our opinion, West Coast Warehouse Corporation should not issue stock in excess of said net worth. The properties which will be transferred to the corporation are more particularly described in "Exhibit B" on file in this application.

The record shows that West Coast Warehouse Corporation will continue the warehouse business under the same rates now filed by Ross A. Bleming. It further shows that Ross A. Bleming is also engaged in a trucking business between Los Angeles and Los Angeles Harbor. He believes that the transfer of the warehouse business to a corporation will protect the warehouse business from any liability that may arise out of his trucking operations.

O R D E R

A public hearing having been held in the above entitled application before Examiner Fankhauser and the Commission having considered the evidence submitted at such hearing, and it being of the opinion that the money, properties or labor to be procured or paid for through the issue of 306 shares of capital stock by West Coast Warehouse Corporation is reasonably necessary for the purpose of acquiring the warehouse properties and business of Ross A. Bleming; that the expenditures for said purpose 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. Ross A. Bleming may, after the effective date hereof, and on or before June 30, 1944, sell his warehouse properties and

business described in "Exhibit b" on file in this application to West Coast Warehouse Corporation in exchange for 306 shares of capital stock, and the assumption by West Coast Warehouse Corporation of his indebtedness incident to said warehouse business. West Coast Warehouse Corporation may issue said 306 shares of capital stock.

2. This application, in so far as it involves the issue of 94 shares of capital stock is hereby dismissed without prejudice.

3. Ross A. Blening and West Coast Warehouse Corporation shall comply with the rules of the Commission's General Order No. 61 by filing, in duplicate, and concurrently making effective tariffs satisfactory to the Commission within sixty (60) days from the effective date hereof and on not less than five (5) days' notice to the Commission and to the public.

4. The authority herein granted will become effective upon the date hereof.

5. Within thirty (30) days after the transfer of the properties herein authorized, West Coast Warehouse Corporation shall file with the Railroad Commission a copy of the Bill of Sale under which it has acquired said properties, together with a statement showing the number of shares of stock issued in payment therefor.

6. The authority herein granted by the Commission to the parties to transfer and purchase the properties in question shall not be construed to be a finding by the Commission or otherwise of the value of said properties.

Dated at San Francisco, California, this 21st day of March, 1944.

Richard L. Lohse
Justice J. Cullen
Francis A. Havens
Arthur C. ...
Charles ...
Commissioners