

ORIGINAL

Decision No. 40731

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CENTRAL WAREHOUSE & STORAGE COMPANY,	:	
a corporation, to sell, and CENTRAL)	
TERMINAL WAREHOUSE COMPANY, a corpora-	:	Application
tion, to buy the public warehouse)	No. 28676
operations of the seller located in	:	
the City of Los Angeles, County of)	
Los Angeles, State of California.	:	
-----)	

Leo E. Sievert and J. H. Cummins, by
Leo E. Sievert, for applicants.
C. J. Munson, Secretary, Los Angeles Ware-
housemen's Association, interested party.

O P I N I O N

In this application as amended at the hearing had be-
fore Examiner Fankhauser on September 17, Central Warehouse &
Storage Company asks permission to sell its warehouse operative
rights, properties, business and good will to Central Terminal
Warehouse Company pursuant to the terms and conditions of the
Agreement of Sale on file in this application as Exhibit "B".
Central Terminal Warehouse Company asks permission to issue and
sell 2,500 shares of capital stock at \$10 per share and use the
proceeds for the purposes hereinafter mentioned.

Central Warehouse & Storage Company, hereinafter some-
times referred to as the Seller, is through stock ownership con-
trolled by J. S. Craig. Because of ill health and his desire to
devote his attention exclusively to his nonutility business, he

has concluded to sell the company's public utility properties, business and good will to Central Terminal Warehouse Company, hereinafter sometimes referred to as the Buyer. Seller's public utility warehouse business is presently conducted in leased premises, the address of which is 619 Antonio Avenue, Los Angeles. The building is leased from the Monarch Brewing Company. It has a floor space of 92,000 square feet, of which approximately 40,000 square feet are presently devoted to public utility business. It is of concrete and brick construction.

Buyer is a California corporation and has an authorized stock issue of 2,500 shares of the par value of \$10 per share. It asks permission to issue and sell the 2,500 shares of stock at par to William P. Hamilton, Laurence E. Bennett and James E. Matinas. They will pay cash for the stock. Buyer will use the proceeds to make a down payment on the purchase price of the properties of Seller and for the maintenance and improvement of its service.

Seller has agreed to sell its public utility properties, business and good will for \$30,000. An inventory of the tangible properties is attached to the Agreement of Sale. The Buyer will pay \$15,000 of the purchase price in cash and pay the remainder in monthly installments of \$150 or more, with interest on the deferred payments at the rate of 3% per annum, payable semi-annually. The Agreement of Sale, we believe, is an evidence of indebtedness coming within the provisions of Section 52 of the Public Utilities Act and its execution should be authorized by the Commission. The Seller will also sublease to the Buyer the warehouse premises at 619 Antonio Avenue. A copy of the sublease

is on file in this application as Exhibit "C". The testimony shows that the terms of the sublease are substantially the same as the terms of the original lease.

An officer of the Buyer testified that in his opinion the revenues of Buyer will be sufficient to enable it to comply with the terms of the sublease and conduct the warehouse business at a profit.

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

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

The Commission having considered the evidence submitted at the hearing had in the above entitled application and it being of the opinion that the money, property or labor to be procured or paid for by the issue of 2,500 shares of capital stock by Central Terminal Warehouse Company and the execution of said agreement is reasonably required by said Central Terminal Warehouse Company for the purposes herein stated, that the purposes for which said stock proceeds may be expended are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Central Warehouse & Storage Company may, after the effective date hereof and on or before December 31, 1947, sell and transfer to Central Terminal Warehouse Company its operative rights, warehouse properties, business and good will described in this application, such sale and transfer to be made in accordance with the terms and conditions of the Agreement of Sale on file in this application as Exhibit "B", which Agreement said companies are hereby authorized to execute.

2. Central Warehouse & Storage Company and Central Terminal Warehouse Company may, after the effective date hereof and on or before December 31, 1947, execute a sublease covering the premises at 619 Antonio Avenue, Los Angeles, such sublease to be similar in terms to the sublease on file in this application as Exhibit "C".

3. Central Terminal Warehouse Company may, after the effective date hereof and on or before December 31, 1947, issue and sell at not less than ten (\$10.00) dollars per share, 2,500 shares of its capital stock and use \$15,000 of the proceeds to pay in part for the properties and business of Central Warehouse & Storage Company and use the remainder for the improvement and maintenance of its public utility service.

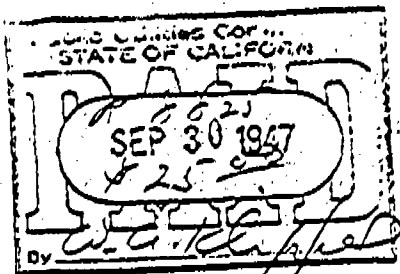
4. Immediately upon the sale and transfer of the properties referred to in this order, Central Warehouse & Storage Company and Central Terminal Warehouse Company shall, on not less than five (5) days' notice to the Commission and to the public, supplement or reissue the tariffs on file with the Commission insofar as they name rates, rules and regulations

governing warehouse operations of Central Warehouse & Storage Company to show that it has withdrawn or canceled, and that Central Terminal Warehouse Company has concurrently adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order shall in all other respects comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

5. The authority herein granted will become effective when Central Terminal Warehouse Company has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is twenty-five (\$25.00) dollars.

6. Within thirty (30) days after the issue of said 2,500 shares of capital stock, Central Terminal Warehouse Company shall file with the Commission a report showing the number of shares of stock issued under the authority herein granted, to whom said shares of stock were issued, the consideration received therefor and the purposes for which said consideration was expended.

Dated at San Francisco, California, this 23rd day of September, 1947.



Harold A. Hills
Justin F. Callahan
W. A. Howell
R. J. ...
Commissioners