

ORIGINAL

Decision No. 41132

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CHARLES VAN & STORAGE COMPANY,)
 a co-partnership composed of)
 Charles Krown, Jacob Krown, and)
 Samuel P. Krown, and CHARLES VAN &)
 STORAGE CO., a corporation, for an)
 order authorizing the transfer of)
 the assets and franchise of the)
 co-partnership to the corporation,)
 and for an order authorizing the)
 corporation to issue 3 shares of)
 capital stock.)
 -----)

Application
No. 28973

O P I N I O N

This is an application for an order of the Public Utilities Commission authorizing Charles Krown, Jacob Krown and Samuel P. Krown, partners doing business under the firm name and style of Charles Van & Storage Company, hereinafter referred to as Sellers, to transfer the assets of the partnership to Charles Van & Storage Co., a corporation, and authorizing said corporation to issue 3 shares of its capital stock of the aggregate par value of \$30.

Information on file with the Commission shows that said Sellers are engaged as public warehousemen in operating for compensation certain warehouse facilities located at 415 South San Pedro Street, Los Angeles, for the storage of general commodities, and in non-utility warehousing and other activities. Their annual reports to the Commission indicate that they occupy, under lease, a five-story class A fireproof building in which 5,000 square feet of floor space are dedicated to public utility

service. Such reports show, for 1945, operating revenues of \$16,076.26 and non-operating revenues of \$56,363.05, a total of \$72,439.31, with net income, before federal taxes, of \$13,796.39, and for 1946, operating revenues of \$8,521.91 and non-operating revenues of \$94,734.58, a total of \$103,256.49, with net income, before federal taxes, of \$18,901.30.

It appears that Sellers now desire to incorporate their business and to that end have caused the organization, on or about October 7, 1947, of Charles Van & Storage Co., a corporation, with an authorized capital stock of 2,500 shares of the par value of \$10 each. To said corporation they propose to transfer their rights and properties.

In Exhibit "3" attached to the application the partnership assets and liabilities, as of November 30, 1947, are reported as follows:

<u>Assets</u>		
Current assets -		
Cash	\$20,470.33	
Accounts receivable	<u>4,336.12</u>	
Total current assets		\$24,806.45
Equipment less depreciation reserves		11,475.33
Deferred debits		<u>1,069.75</u>
Total		<u>\$37,351.53</u>
<u>Liabilities and Net Worth</u>		
Liabilities -		
Advances	\$ 1,234.16	
Due to partners	2,506.71	
Accrued expenses	2,974.52	
Other liabilities	<u>1,774.00</u>	
Total liabilities		\$ 8,489.39
Net worth		<u>28,862.14</u>
Total		<u>\$37,351.53</u>

The new corporation, in succeeding to the properties and operations, proposes to issue one share of stock to each of the three members of the partnership. In recording the transaction on its books it intends to credit the \$30 of stock to the capital stock account and to credit the balance of the book value of the assets, as reflected by the books of the partnership, to Account No. 151--Premium on Capital Stock. Had the transaction been consummated as of November 30, 1947, the date of the foregoing balance sheet, the amount so credited to Account No. 151 would have been \$28,832.14.

The present partnership and its predecessors have been engaged in the public utility warehouse business in Los Angeles for many years. The Commission has never made a finding of the existence, extent or character of the warehouse operative rights and is not doing so in this decision. The order herein will authorize the transfer of whatever rights the present owners may have.

O R D E R

The Public Utilities Commission having considered this application and being of the opinion that a public hearing is not necessary, that the requests of applicants should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED as follows:

1. Charles Krown, Jacob Krown and Samuel P. Krown, partners doing business under the firm name and style of Charles Van & Storage Company, after the effective date hereof and on or before June 30, 1948, may transfer to Charles Van & Storage Co., a corporation, their partnership assets and operations referred to in the foregoing opinion and in this application, including whatever operative rights they may have to store property as public warehousemen in Los Angeles, and Charles Van & Storage Co., a corporation, may acquire the same and issue \$30 par value of its capital stock in part payment.

2. Applicants, upon the transfer of the aforesaid properties and upon not less than five (5) days' notice to the Commission and to the public, shall supplement or reissue the tariffs on file with the Commission to show that said partners have withdrawn or canceled, and that Charles Van & Storage Co. concurrently has adopted or established said rates, rules and regulations as its own, said filing to comply with the terms of the Commission's General Order No. 61.

3. Within thirty (30) days after the transfer of said properties, Charles Van & Storage Co. shall file with the Commission a copy of each journal entry used to record on its books the acquisition of the properties and a report of the issue of the stock as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective twenty (20) days from the date hereof.

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

Dated at San Francisco, California, this 19th day of January, 1948.

R. I. [Signature]
James F. [Signature]
Harold P. [Signature]
Harold P. [Signature]
[Signature]
Commissioners