

ORIGINAL

Decision No. 44050

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
COAST VAN & STORAGE, INC., to sell,	:	
and COAST VAN LINES, INCORPORATED,)	Application
to purchase, the warehouse operative	:	No. 31279
rights of the Seller.)	
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O P I N I O N

This is an application for an order of the Commission authorizing Coast Van & Storage, Inc., hereinafter referred to as Seller, to sell warehouse operative rights to Coast Van Lines, Incorporated, hereinafter referred to as Buyer.

It appears that both applicants are California corporations with a common identity of ownership. Seller owns a building at 423 E. Third Street, Los Angeles, and is engaged in business as a public utility warehouseman, having acquired operative rights to conduct such business pursuant to authority granted by the Commission by Decision No. 42640, dated March 22, 1949. In this application, it reports its revenues during 1949 at \$10,963.76 and its expenses, including interest, at \$10,945.23, leaving net profit of \$18.53.

Buyer is engaged in business as a highway common carrier of property between Los Angeles and San Diego, and also is engaged in a nonutility furniture business which it began on or about October 1, 1949. Buyer reports its revenues during 1949 from all sources at \$130,648.46 and its expenses at \$141,939.13, with a net loss of \$11,290.67.

The present application shows that those in control of the affairs of applicants have concluded to place all the utility operations, both highway carrier and warehouseman, under one ownership, separate from the nonutility furniture operations. To this end they propose that the warehouse operative rights and business be transferred to Buyer, and that the furniture business of Buyer be transferred to Seller. Upon the conclusion of these transactions, Buyer's activities will include only the common carrier and warehouse operations while Seller's activities will consist of the nonutility furniture business. It is thought by applicants that the transactions, as proposed, will result in more efficient business operation by each of the applicants and will simplify and improve administrative and accounting procedure. The consideration for the transfer of the operative rights is the sum of \$1.00.

Buyer proposes to adopt the tariffs of Seller and thereafter to assess and collect rates in accordance with such tariffs. In making the present application, applicants have not sought, and we do not herein make, any determination of the nature or scope of the warehouse operative rights involved. In passing on this application we authorize the sale of whatever warehouse operative rights may be owned at this time by Seller. We find that the transfer will not be adverse to the public interest.

Applicants request, if the Commission concludes to grant this application, that it make its order effective at once for the reason that Seller presently is engaged in financing certain non-utility activities which are in escrow and cannot be closed until the segregation of business, as proposed in this application, has been accomplished.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Coast Van & Storage, Inc., after the date hereof and on or before June 30, 1950, may sell to Coast Van Lines, Incorporated, its public utility warehouse operative rights.

2. Applicants on not less than five (5) days' notice to the Commission and to the public, shall supplement or reissue tariffs on file with the Commission insofar as they name rates, rules and regulations governing warehouse operations of Coast Van & Storage, Inc. to show that said Coast Van & Storage, Inc. has withdrawn and that Coast Van Lines, Incorporated, has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order shall in all respects comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

3. This order is effective upon the date hereof.

Dated at San Francisco, California, this 18th day of April, 1950.

R. E. Anderson
Justus J. Carlson
Robert D. Quill
Margaret P. Hails
Francis M. Totten
Commissioners