

ORIGINAL

Decision No. 45305

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of
DAIGH & STEWART TRUCK CO., a
corporation,
for permission to issue shares under
a closed permit.

Application
No. 31987

(And Amendment)

O P I N I O N

This is an application for an order authorizing Elmer E. Daigh and William H. Stewart, partners, doing business as Daigh & Stewart Truck Co., to transfer highway common carrier operating rights and properties to Daigh & Stewart Truck Co., a corporation, and authorizing said corporation to issue \$80,000 par value of its capital stock.

The partners presently are engaged, among other things, in the business of transporting property for hire as highway common carriers under a certificate of public convenience and necessity granted by Decision No. 44263, dated May 26, 1950, in Application No. 30309. Generally speaking, the operative rights, subject to certain restrictions, provide for the transportation of property necessary or incidental to the establishment, maintenance or dismantling of oil or gas wells, pipelines, refineries and cracking or casing-head plants, between Los Angeles on the one hand and Paso Robles and Sacramento on the other hand, and intermediate points along and laterally within 50 miles of U.S. Highways 101 and 99 and including points within a radius of 50 miles of the city halls of said cities.

The application shows that the partners desire to transfer their properties and their operative rights to a corporation and that to that end they have caused to be organized, under the laws of the State of California, a corporation known as Daigh & Stewart Truck Co. They propose to transfer their property and business, subject to outstanding liabilities, to the new corporation in exchange for 8,000 shares of stock of the total par value of \$80,000. They further propose to make the transfer as of December 31, 1950, in order to facilitate accounting and related matters incident to the management of the business.

Exhibit 5 in this proceeding shows that for the ten months ended October 31, 1950, the partners had gross revenues of \$302,069.43 and net revenue of \$32,296.56, after excluding \$10,892.90 of partner's salaries which were included in expenses.

A statement filed in this proceeding as Exhibit 2 shows the assets and liabilities of the partnership as of October 31, 1950 to be as follows:

<u>Assets</u>		
Cash		\$ 912.01
Cash investments		11,985.77
Accounts receivable		50,795.18
Loans receivable		500.00
Property and equipment	\$272,391.95	
Less: Depreciation reserves	<u>175,101.00</u>	97,290.95
Prepaid expenses		5,329.49
Other deferred debits		<u>1,259.76</u>
Total Assets		<u>\$168,073.16</u>
<u>Liabilities</u>		
Accounts payable		\$ 17,560.42
Payroll and withholding taxes payable		1,598.42
Accrued federal transportation tax		897.64
Accrued expense payable		962.63
Other deferred credits		1,776.48
Equipment obligations		47,111.39
Partnership net worth		<u>98,166.18</u>
Total Liabilities		<u>\$168,073.16</u>

No change in the operation or management of the business is contemplated under the proposed transfer of the properties and assets. It appears that the transfer will not be adverse to the public interest. Accordingly, an order will be entered.

ORDER

The Commission having considered the above numbered application and being of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of 8,000 shares of stock is reasonably required by Daigh & Stewart Truck Co., for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Elmer E. Daigh and William H. Stewart, doing business as Daigh & Stewart Truck Co., a co-partnership, after the effective date hereof and on or before July 31, 1951, may sell and transfer to Daigh & Stewart Truck Co., a corporation, the properties and operating rights referred to herein.
2. Daigh & Stewart Truck Co., a corporation, after the effective date hereof and on or before July 31, 1951, for the purpose of paying for said properties and operating rights, may assume the payment of outstanding liabilities as indicated in the application, and may issue not exceeding 8,000 shares of its \$10 par value capital stock.

3. On not less than five (5) days notice to the Commission and to the public, applicants shall comply with the provisions of General Order No. 80 and part IV of General Order No. 93-A, by filing in triplicate, and concurrently making effective, appropriate tariffs and time tables.

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

5. Daigh & Stewart Truck Co., a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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

Dated at San Francisco, California, this 30th day of January 1951.

[Signature]
Justice F. Callahan
Harriet Kula
[Signature]

Commissioners