

Decision No. 46916

ORIGINAL FILE

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of HIGHWAY TRANSPORT EXPRESS, a	:	Application
corporation, for authority to)	No. 33139
issue stock.	:	
-----)	

Bertram S. Silver and Edward M. Berol, by
Bertram S. Silver, for applicant.

O P I N I O N

Highway Transport Express, applicant herein, is an express corporation operating generally between San Francisco Bay points, on the one hand, and San Jose and intermediate points, on the other hand. In this application it seeks authorization to issue 600 shares of common stock, of the aggregate par value of \$60,000, to Robertson Drayage Co., Inc.

Applicant was organized during April, 1948, with an authorized capital stock of 1,000 shares of the par value of \$100 each. To date, it has issued no shares but it has received from Robertson Drayage Co., Inc. the sum of \$80,000, represented by property and cash, to equip and maintain its service. It now reports, in Exhibit F filed in this proceeding, that Robertson Drayage Co., Inc. has indicated its willingness to accept 600 shares (\$60,000 par value) of applicant's stock in full satisfaction of the advances made by it. The difference between the amount of the original advances and the par value of the stock to be issued will be credited by applicant to its paid-in surplus account.

Of the total amount of the original advances, it is reported that \$72,240 represents the net purchase price of approximately 60 units of equipment, together with shop, garage and office equipment

and other items of property, and \$7,760 represents obligations incurred by applicant but subsequently assumed by Robertson Drayage Co., Inc. Following the original acquisition, applicant has purchased additional properties and equipment, increasing its total investment in tangible property to \$138,062.42 on September 30, 1951. Its assets as of that date and its liabilities and net worth, giving effect to the proposed issue of shares of stock, are reported as follows:

Assets

Current assets -		
Cash and deposits	\$ 11,238.32	
Accounts receivable	127,795.52	
Materials and supplies	<u>4,962.35</u>	
Total current assets		\$143,996.19
Tangible property -		
Carrier operative property	138,062.42	
Less: depreciation reserve	<u>77,395.91</u>	
Total tangible property		60,666.51
Intangible property		15,817.70
Deferred debits		<u>17,081.15</u>
	Total	<u>\$237,561.55</u>

Liabilities and Net Worth

Current liabilities -		
Notes and accounts payable	\$106,220.34	
C.O.D.'s payable	3,320.19	
Accrued liabilities	17,120.71	
Other current liabilities	<u>16,427.44</u>	
Total current liabilities		\$143,088.68
Cargo loss and damage reserve		5,253.20
Other deferred credits		5,874.25
Net worth -		
Common stock	60,000.00	
Paid-in surplus	20,000.00	
Earned surplus	<u>3,345.42</u>	
Total net worth		<u>83,345.42</u>
	Total	<u>\$237,561.55</u>

Financial reports filed by applicant show for the year 1950 revenues of \$896,657 and net income of \$10,927, and for the first nine months of 1951, revenues of \$887,274 and net income of \$7,239.

A review of the application and of applicant's financial statements indicates that its assets and earnings are ample to warrant an order of the Commission authorizing it to issue shares of stock as requested.


O R D E R

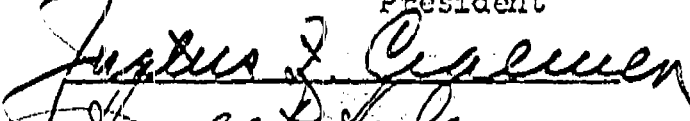
A public hearing having been held on the above entitled matter, and the Commission having considered the evidence and being of the opinion that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required by applicant 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,

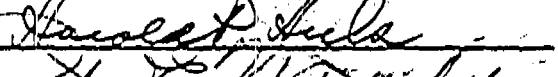
IT IS HEREBY ORDERED as follows:


1. Highway Transport Express, after the effective date hereof and on or before September 30, 1952, may issue not exceeding 600 shares of its common stock, of the aggregate par value of \$60,000, for the purpose set forth in the application.
2. Applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.
3. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 1st day of April, 1952.



President






Commissioners