

ORIGINAL

Decision No. 47642

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CHARLES H. SAMUELS, an)
 individual doing business as U. C.)
 EXPRESS AND STORAGE CO., and UNITED)
 CALIFORNIA EXPRESS AND STORAGE CO.,)
 A California Corporation, doing business)
 as U. C. EXPRESS AND STORAGE CO., to)
 Sell and Transfer Operative Rights and)
 Assets to UNITED CALIFORNIA EXPRESS AND)
 STORAGE CO., A CALIFORNIA CORPORATION,)
 doing business as U. C. EXPRESS AND)
 STORAGE CO., COMBINED WITH AN APPLICATION)
 BY UNITED CALIFORNIA EXPRESS AND STORAGE)
 CO., A CALIFORNIA CORPORATION, doing)
 business as U. C. EXPRESS AND STORAGE)
 COMPANY for Authority to Issue Stock of)
 Said Corporation.)
 -----)

Application
No. 33652

O P I N I O N

This is an application for an order authorizing Charles H. Samuels to sell highway common carrier operative rights and properties to United California Express and Storage Co., a corporation, and authorizing said corporation to assume the payment of outstanding indebtedness, to execute a deed of trust and to issue a note in the principal amount of \$78,500 and to issue and sell 4,800 shares of common stock of the par value of \$10 each and of the aggregate par value of \$48,000.

The application shows that applicant Samuels, doing business as U. C. Express and Storage Co., is engaged in business as a highway common carrier of property between points in San Francisco, Alameda, Contra Costa, Marin, Sonoma, Solano and San Mateo counties, that he now desires to retire from such operations, and that he has made arrangements to sell his rights and properties for the sum of \$175,166.74 to United California Express and Storage Co. The rights

to be sold are those acquired by applicant Samuels pursuant to authority granted by Decision No. 46459, dated November 27, 1951. The physical properties included in the transaction consist of certain parcels of land and improvements located in the City of Oakland, approximately twenty-five units of equipment, garage inventories and furniture, fixtures and supplies.

The agreement of purchase and sale, dated June 16, 1952, provides for the payment of \$25,000 in cash, the assumption by the buyer of presently outstanding indebtedness in the amount of \$71,666.74, and the issue by the buyer to Charles H. Samuels and Grace Samuels of a promissory note, secured by deed of trust, in the principal amount of \$78,500 payable in monthly installments of \$450 with interest at the rate of $4\frac{1}{2}\%$ per annum. The corporation proposes to issue and sell \$48,000 par value of its common stock to meet the cash payment, to pay incorporation and organization expenses and to provide working capital.

United California Express and Storage Co. was incorporated on June 18, 1952, for the purpose of taking over and continuing the business of Charles H. Samuels. According to the verified application herein, its officers have had many years experience in the transportation and storage of property and goods in California, and it appears that the proposed transfer will not be adverse to the public interest. The corporation is placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the state as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be

changed or destroyed at any time by the state, which is not in any respect limited as to the number of rights which may be given.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the stock and note herein authorized is reasonably required by applicant corporation for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Charles H. Samuels, after the effective date hereof and on or before December 31, 1952, may sell his operative rights and properties to United California Express and Storage Co., such sale to be in accordance with the agreement of purchase and sale dated June 16, 1952, filed in this proceeding as Exhibit A.

2. United California Express and Storage Co., after the effective date hereof and on or before December 31, 1952, may assume the obligations with respect to the outstanding indebtedness of \$71,666.74, and may execute a deed of trust and issue a note in the principal amount of \$78,500 in part payment for the rights and properties of Charles H. Samuels, which deed of trust and note shall be in, or substantially in, the same form as those filed in this proceeding.

3. United California Express and Storage Co., after the effective date hereof and on or before December 31, 1952, may issue

and sell \$48,000 of its common stock at not less than par, and use the proceeds for the purposes set forth in this application.

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

5. On not less than five (5) days' notice to the Commission and to the public, United California Express and Storage Co. shall file, in triplicate, and concurrently make effective, appropriate tariffs and time tables.

6. United California Express and Storage Co. 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.

7. The authority herein granted will become effective when United California Express and Storage Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is seventy-nine (\$79.00) dollars.

Dated at San Francisco, California, this 2nd day of September, 1952.

R. J. [Signature]
President

Justice J. [Signature]

[Signature]

[Signature]

Commissioners

