

ORIGINAL

Decision No. **48602**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC TRANSPORTATION AND WAREHOUSE)
CO., INC., a corporation, to trans-)
fer, and CLAIRE, INC., a corporation,)
to acquire, operating authority,)
property and business of a public)
warehouseman, and for authority to)
issue stock of CLAIRE, INC.)
-----)

Application
No. 34266

Arlo D. Poe, for applicants.

O P I N I O N

This is an application for an order of the Commission authorizing Pacific Transportation and Warehouse Co., Inc., hereinafter referred to as Pacific, to transfer warehouse operative rights and properties to Claire, Inc., and authorizing Claire, Inc. to issue 500 shares of common stock without par value.

The application was filed on April 17, 1953. Thereafter, a public hearing was held before Examiner Coleman in Los Angeles on May 7, 1953, at which time it was taken under submission. The Commission has received no protest to the granting of applicants' requests.

The operative rights proposed to be transferred are represented by a certificate of public convenience and necessity granted by the Commission by Decision No. 21852, dated December 29, 1929, in Application No. 15535, authorizing the operation of a public warehouse at 825 East 62nd Street, Los Angeles, for the storage of certain commodities, which certificate was transferred to the present owner under authorization granted by Decision No. 27296, dated

August 27, 1934, in Application No. 19473. The tangible properties include a parcel of land at that location, 100 feet by 200 feet in size, and a one-story warehouse building containing 14,000 square feet. The original costs of the land and improvements are reported at \$45,200 and the book values as of March 31, 1953, at \$17,685.

It appears that Pacific is engaged in business primarily as a certificated and as a permitted carrier of property in southern California and that it has been utilizing the premises at 825 East 62nd Street for terminal purposes in connection with its transportation operations and for public storage. It reports, however, that due to the growth of its business the facilities no longer are adequate, in size and in location, for its transportation activities and that it is making arrangements to obtain another site for its carrier terminal. It desires to divest itself of its public warehouse business and therefore proposes to transfer its warehouse operative rights and the real property, improvements and certain other assets to a new corporation named Claired, Inc. which it has caused to be organized for the purpose of receiving the same and thereafter of continuing the warehouse operations. The properties will be transferred to Claired, Inc. at their present book value of \$17,685, along with cash of \$2,160 and prepaid insurance of \$155, a total of \$20,000, in exchange for 500 shares of that corporation's no par value common stock. Thereafter, such shares will be distributed to Pacific's shareholders.

Upon a review of this matter the Commission is of the opinion that the proposed transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required for the purpose specified herein, that such purpose is

not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted. The action taken herein, however, shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred.

ORDER

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; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Transportation and Warehouse Co., Inc. may transfer to Claired, Inc., on or before December 31, 1953, the warehouse operative rights, properties and assets referred to in this application.
2. Claired, Inc. may issue not exceeding 500 shares of its common stock in payment for said rights, properties and assets.
3. On not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing warehouse operations of Pacific Transportation and Warehouse Co., Inc., to show that Pacific Transportation and Warehouse Co., Inc. has withdrawn or canceled and that Claired, Inc. concurrently has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant

to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

4. Claired, Inc. 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.

5. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 19th day of May, 1953.

R. T. Dunning
President

Justice F. Walker
Harold A. Huls

Bennett F. Tetter
Ed L. McMill
Commissioners