

ORIGINAL

Decision No. 49378

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
REPUBLIC VAN AND STORAGE CO., INC.,	:	
for an order authorizing it to sell)	
and convey its real property and	:	
warehouse at San Diego, California,)	Application
to the ROSECRANS DEVELOPMENT CO., a	:	No. 34885
California corporation, or its assigns,)	
and to take back a lease on said	:	
property for a period of fifteen (15))	
years.	:	
-----)	

O P I N I O N

Republic Van and Storage Co., Inc., applicant herein, is a California corporation engaged in interstate and intrastate commerce as a household goods carrier, a city carrier and a radial highway common carrier and as a public utility warehouseman in the City of Los Angeles. It has filed this application for authorization to sell certain real property and improvements located in San Diego, used primarily in the handling of used household goods in interstate commerce, to the Rosecrans Development Co. for the sum of \$105,000, payable in cash, and as part of the transaction to lease back said premises for a period of 15 years at a rental of \$1,200 a month.

The reason for the proposed transaction is to provide applicant with additional working capital which it asserts is necessary in its operations. A review of applicant's financial statements

shows that during 1952 its operating revenues from both carrier and warehouse service amounted to \$2,228,771 and during the first nine months of 1953 to \$1,955,091, and that its net income amounted to \$23,119 during 1952 and to \$49,047 during the nine-months period of 1953. Applicant's financial position as of September 30, 1953, as indicated by its balance sheet of that date, is as follows:

Assets

Current assets -		
Cash	\$ 14,042.57	
Special funds	11,326.00	
Notes and accounts receivable	206,216.27	
Material and supplies	5,222.42	
Prepayments	<u>30,858.47</u>	
Total current assets		\$267,665.73
Carrier operating property less reserve		283,247.34
Other investments		103,377.21
Deferred debits		<u>42,294.61</u>
	Total	<u>\$696,584.89</u>

Liabilities and Capital

Current liabilities		\$196,270.80
Equipment obligations		124,512.08
Other obligations		<u>26,500.00</u>
Total liabilities		347,282.88
Reserves		41,955.99
Preferred stock		64,100.00
Common stock equity -		
Common stock	\$160,000.00	
Surplus	<u>83,246.02</u>	
Total common stock equity		<u>243,246.02</u>
	Total	<u>\$696,584.89</u>

It appears that applicant is required to carry a substantial amount of notes and accounts receivable. Its 1952 annual report shows receivables in the amount of \$168,432 at the close of the year while the preceding balance sheet shows receivables of \$206,216 at September 30 of this year.

Upon a review of this matter we are of the opinion that applicant has need for additional working capital and that the proposed transfer of properties to obtain funds for this purpose will not be adverse to the public interest. Accordingly, an order will be entered granting applicant's request.

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

ORDER

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

IT IS HEREBY ORDERED as follows:

1. Republic Van and Storage Co., Inc. may sell to Rosecrans Development Co. the real property and improvements referred to in this application and may execute a lease of such properties in accordance with the terms and conditions outlined herein.
2. Within 30 days after the sale of the properties under the authorization herein granted, Republic Van and Storage Co., Inc. shall file with the Commission a statement indicating the date on which the transaction was completed and setting forth a copy of each journal entry used to record the same on its books.
3. The authority herein granted will become effective upon the date hereof.

Dated at Los Angeles, California, this 1st day of December, 1953.

[Signature]
President

[Signature]

[Signature]

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Commissioners