

**ORIGINAL**

Decision No. 49593

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

(a) TORRANCE VAN & STORAGE COMPANY for authority to issue shares of its common capital stock,

(b) TORRANCE VAN & STORAGE COMPANY for authority to issue promissory note,

(c) ANN C. MILLER for authority to sell and TORRANCE VAN & STORAGE COMPANY to purchase the warehouse business of TORRANCE VAN & STORAGE formerly owned by GEORGE M. MILLER, deceased, and

(d) TORRANCE VAN & STORAGE COMPANY for authority to file a warehouse tariff.

Application  
No. 34736  
(and Amendment)

Glanz & Russell, by R. Y. Schureman, for applicants;  
John E. Hunt, for Torrance Van & Storage Company;  
C. S. Abernathy, for the staff of the Commission.

O P I N I O N

In this application, as amended, the Commission is asked to make its order authorizing Ann C. Miller to sell certain warehouse business and properties to Torrance Van & Storage Company, a corporation, and authorizing said corporation to issue 100 shares of its no par value common stock, to execute evidences of indebtedness, and to participate in certain tariff filings.

The original application was filed with the Commission on September 16, 1953, and a hearing thereafter was held before Examiner Coleman in Los Angeles on October 21, 1953, at which time the matter was continued in order to afford applicant corporation an opportunity to revise its proposed tariffs. On January 4, 1954,

applicants filed an amended application. The Commission has reviewed the same and is of the opinion that a further hearing is not necessary and that this matter now should be taken under submission and an order entered.

The application shows that Ann C. Miller acquired a household transfer and storage business and commercial warehouse located in the City of Torrance pursuant to an order of the Superior Court dated May 22, 1951, distributing the estate of George M. Miller, that thereafter she granted to R. J. Stadler an option to purchase her warehouse business and properties for the sum of \$32,500, and that later, on or about February 23, 1952, she transferred her business and properties to Torrance Van & Storage Company, a corporation, the assignee of the option granted to R. J. Stadler. The option agreement provided for a down payment of \$9,700 of the purchase price and for the payment of the remainder in 12 equal quarterly installments with interest on unpaid balances at the rate of 5% per annum. The parties later agreed to an amendment so as to provide for payment of the balance of the unpaid purchase price in monthly installments of \$200, or more, with interest at the rate of 5% per annum.

Upon acquiring the business and properties, the corporation issued to R. J. Stadler, Clifford B. Stadler and Giles W. Stadler 100 shares of stock for \$1,000 and borrowed \$10,000 from R. J. Stadler on a long-term basis. The corporation took over and since has conducted the service formerly performed by Ann C. Miller and has reported revenues and expenses for 1952 and for the first six months of 1953 as follows:

	<u>1952</u>	<u>1953 6 Mos.</u>
Revenues -		
Storage	\$13,046	\$ 4,931
Other	58,252	34,135
Total	<u>71,298</u>	<u>39,066</u>
Expenses--excluding depreciation	68,842	31,869
Balance	2,456	7,197
Depreciation	<u>6,427</u>	<u>3,301</u>
Net income from operations	<u>\$(3,971)</u>	<u>\$ 3,896</u>

Applicants did not obtain from this Commission authorization for the transfer of the utility business and properties nor for the issue of the stock and the execution of the long-term evidences of indebtedness. It appears, however, that their failure to obtain such authorization was through inadvertence and with no intent to evade the provisions of the Public Utilities Code. When the provisions of the code requiring such authorization were called to their attention they filed the present application.

The corporation's balance sheet of June 30, 1953, shows that the indebtedness in favor of Ann C. Miller has been reduced to \$19,200 and that in favor of R. J. Stadler to \$9,479.32. The former item, as stated, is payable in monthly installments of \$200, or more, while the latter amount will be represented by a new unsecured promissory note payable in six equal quarterly installments commencing December 8, 1961, with interest at the rate of 5% per annum.

Applicant corporation seeks authorization to issue shares of stock to replace those issued without an order from the Commission and to execute new evidences of indebtedness. The individuals who hold and will hold the stock of applicant corporation for many years have been engaged in the transfer and storage business in southern California. It appears that they intend to continue the

public utility operations and to participate in California Warehouse Tariff Bureau Warehouse Tariff No. 5-J, Cal. PUC No. 94, Jack L. Dawson, Agent, hereinafter called Tariff No. 5-J, and in California Warehouse Tariff Bureau Warehouse Tariff No. 7-C, Cal. PUC No. 102, Jack L. Dawson, Agent, hereinafter called Tariff No. 7-C, together with certain exceptions thereto which are set forth in Exhibit I filed with the amended application.

The present tariff covering services for public storage in the properties now operated by Torrance Van & Storage Company was filed a number of years ago by George M. Miller. The applicants in this proceeding assert that prior to July 13, 1953, they were unaware that said warehouse business required a tariff or that a tariff was on file with the Commission in the name of George M. Miller, and that accordingly neither of said applicants ever filed a notice adopting the tariffs of George M. Miller. The officers of applicant corporation now report that following their review of the tariff presently on file they have concluded it does not meet their needs. They desire to join in the tariff filings of the California Warehouse Tariff Bureau, with certain exceptions which are said to be equal to or lower than the comparable rates set forth in Tariff No. 5-J and Tariff No. 7-C. It appears that applicant corporation has notified each and every one of its patrons of its intention to participate in said tariffs, with the exceptions, and that it has been advised by said patrons that they have no objection to the proposed rates and rules.

Upon reviewing this matter we are of the opinion that the transfer will not be adverse to the public interest, that applicant corporation should be authorized to participate in the California Warehouse Tariff Bureau's tariff filings, as requested, and that

the money, property or labor to be procured or paid for by the issue of the stock and notes herein authorized is reasonably required by applicant corporation for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

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

O R D E R

A public hearing having been hold on the above entitled matter, and the Commission having considered the evidence and being of the opinion that the application, as amended, should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Ann C. Miller may sell and transfer to Torrance Van & Storage Company the warehouse business and properties referred to in this proceeding.
2. Torrance Van & Storage Company may issue 100 shares of its no par value common stock in exchange for 100 shares of stock presently outstanding which were issued without authorization from this Commission.
3. Torrance Van & Storage Company may execute a note or other evidence of indebtedness in the principal amount of not exceeding \$19,200 in favor of Ann C. Miller and may execute a note in the principal amount of not exceeding \$9,479.32 in favor of R. J. Stadler, in place of or in payment of indebtedness of like amount now

outstanding which was incurred without authorization from this Commission.

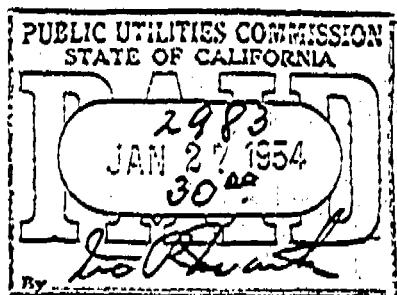
4. Torrance Van & Storage Company is authorized to participate in California Warehouse Tariff Bureau Tariffs No. 5-J and No. 7-C, with certain exceptions as set forth in Exhibit I filed with the amended application in this proceeding.

5. Upon the rates established by Torrance Van & Storage Company becoming effective, Warehouse Tariff, Cal. PUC No. 1, filed by George M. Miller, doing business as Torrance Van & Storage, hereby is canceled.

6. Torrance Van & Storage Company 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 Torrance Van & Storage Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$30.

Dated at San Francisco, California, this 26<sup>th</sup> day of January, 1954.



Handwritten signatures of Kenneth P. Ladd, Robert E. Mitchell, and Gene Higgins over horizontal lines.

Commissioners

Commissioner R. E. Mittelstaedt, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Justus F. Craemer, being necessarily absent, did not participate in the disposition of this proceeding.