

ORIGINAL

Decision No. 50150

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of
F. N. RUMBLEY COMPANY,
a California corporation,
to sell and
RUMBLEY REALTY CO.,
a California corporation,
to purchase real property useful
in the performance of duties to
the public.

Application
No. 35490

OPINION AND ORDER

F. N. Rumbley Company, applicant herein, seeks authority to sell to Rumbley Realty Co., a corporation, certain real property and improvements located at Fresno and Torrance and now used by it for terminal purposes. Applicant proposes to lease back such property from Rumbley Realty Co. at a rental of \$1,000 per month and to continue to use it for terminal facilities.

The application shows that F. N. Rumbley Company is engaged primarily in the transportation of petroleum products throughout the State of California under various permits and certificates of public convenience and necessity granted by this Commission, and as a common carrier in interstate commerce in California, Nevada, Arizona and New Mexico. In addition, it reports that it is engaged in the business of cattle ranching and of owning and leasing certain rental properties which it proposes to transfer to Rumbley Realty Co. along with its terminal properties at Fresno and Torrance.

Applicant reports that since its organization in 1947 it has experienced substantial growth in its non-carrier activities and it anticipates still further expansion. It is of the opinion its operations can be carried on more conveniently and more profitably

by separating its cattle ranching and its real estate ventures from its transportation business and transferring the same to a new corporation, the stock of which will be owned pro rata by applicant's shareholders.

Rumbley Realty Co., subject to approval by the California Commissioner of Corporations, proposes to issue to F. N. Rumbley Company its stock having a par value equal to the adjusted book value, estimated at \$704,692.17, of the property to be transferred to it less certain of applicant's liabilities, approximating \$59,483, which it will assume.

Upon reviewing this application we are of the opinion that the proposed transfer will not be adverse to the public interest and that we are warranted in making an order granting applicant's request. The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

The Commission has considered this matter and is 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. F. N. Rumbley Company, after the date hereof and on or before September 30, 1954, may sell and transfer the property referred to in this proceeding to Rumbley Realty Co., such sale to be made in accordance with the terms outlined in the application.

2. Within thirty days after the sale of the property under the authorization herein granted, applicant shall file with the Commission a statement indicating the date on which the

transaction was completed and a copy of each journal entry used to record the transaction on its books.

3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 18th day of June, 1954.

Robert E. Mitchell
President
Samuel H. Potter
Gene Loggins

Commissioners