

ORIGINAL

Decision No. 50452

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 R. T. CHRISTMAS, doing business as)
 CROWN TRANSFER & STORAGE, YELLOW VAN)
 & STORAGE COMPANY OF PASADENA, and)
 CROWN CITY & LOS ANGELES EXPRESS, to)
 sell operating rights and properties)
 of a highway common carrier and pub-)
 lic utility warehouse, to CROWN TRANS-)
 FER & STORAGE, a corporation, and the)
 application of CROWN TRANSFER & STORAGE,)
 a corporation, for authority to issue)
 stock.)
 -----)

Application
No. 35545

O P I N I O N

R. T. Christmas, applicant herein, doing business as Crown Transfer & Storage and Yellow Van & Storage Company of Pasadena, is engaged in business as a radial, contract, city and household goods carrier and as a public warehouseman in Pasadena and, under the name of Crown City & Los Angeles Express, as a highway common carrier of property between Los Angeles, South Pasadena, Pasadena, Lamanda Park and Oak Knoll.^{1/} In this application he reports that in order to eliminate personal liability and assure continued operations in the event of his death he proposes, and now seeks authorization, to transfer his operations to a new corporation which he has organized for the purpose of accepting the properties and carrying on the business. The new corporation, named Crown Transfer & Storage, seeks authorization to issue shares of no par common stock on the basis of \$100 a share in a total amount equivalent to the book value of the assets to be transferred to it.

^{1/} A consolidated profit and loss statement of the operations of R. T. Christmas for 1953 shows gross revenues of \$150,966 and net income of \$17,980, before provision for federal income taxes.

The properties to be transferred include highway common carrier rights, prescriptive in origin, which were acquired by applicant Christmas under authorization granted by Decision No. 29622, dated March 29, 1937, and motor vehicles, furniture and fixtures, and warehouse and garage equipment. The net book value of the assets as of April 30, 1954, according to Exhibit E, was \$52,952.94.

It is reported that the new corporation will continue the present operations of the transferor with the same equipment and facilities and with no change in personnel or management. The transferee will conduct the motor carrier operations under the fictitious name of Crown City & Los Angeles Express.

From a review of the matter we are of the opinion that the transfer will not be adverse to the public interest. Applicants are hereby 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.

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.

ORDER

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 shares of stock herein authorized is reasonably required by applicant corporation for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. R. T. Christmas may transfer to Crown Transfer & Storage, a corporation, the highway common carrier rights acquired by him under authority granted by Decision No. 29622, dated March 29, 1937, together with his public utility warehouse operations and his tangible property, as set forth in this application.

2. Crown Transfer & Storage, a corporation, may issue not exceeding 530 shares of its no par value common stock on the basis of \$100 a share in acquiring said rights and properties.


3. On not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the common carrier and warehouse operations here involved to show that R. T. Christmas has withdrawn or canceled and Crown Transfer & Storage, a corporation, has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order shall comply in all respects with the

regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61 and General Order No. 80.

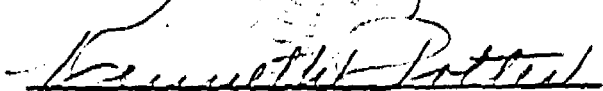
4. Crown Transfer & Storage, a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

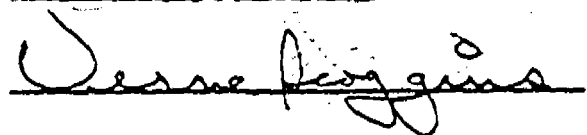
5. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 24th day of August, 1954.



President





Commissioners