

Decision No. 51703

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Richard E. Lyng and Richard)	
E. Lyng as Trustee for Jeanette Ann Lyng,	:	
and Richard E. Lyng, as Trustee for Marilyn)	
Louise Lyng, as partners doing business as	:	
ED J. LYNG CO., a partnership, to sell and)	Application
assign the operative rights and business as	:	No. 37072
a warehouseman to ED J. LYNG COMPANY, INC.,)	
a corporation, and application of ED J. LYNG	:	
COMPANY, INC., a corporation, for a permit)	
to issue stock to ED J. LYNG CO., a partner-	:	
ship.)	
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O P I N I O N

This is an application for an order of the Commission authorizing Ed J. Lyng Company, Inc., a corporation, to issue 10,000 shares of its capital stock, of the par value of \$10 each and of the aggregate par value of \$100,000, in part payment for warehouse properties of Richard E. Lyng, et al.

The application shows that Ed J. Lyng Company, Inc. was organized under the laws of California for the purpose of acquiring properties and business of Richard E. Lyng and Richard E. Lyng as Trustee for Jeanette Ann Lyng and as Trustee for Marilyn Louise Lyng, a partnership doing business in Modesto as Ed J. Lyng Co. The operations include the public utility warehousing of rice, grain, beans and other agricultural products, the merchandising of seeds, feeds, commodities, chemicals, machinery, agricultural and industrial supplies and equipment, farm produce and farm products, and a general commission and brokerage business. For the year 1954 the present partnership reports revenues and expenses as follows:

Warehouse revenues	\$ 29,463
Sales	<u>1,563,681</u>
Total	1,593,144
Less-cost of sales and expenses	<u>1,559,749</u>
Net profit	\$ <u>33,395</u>

Under the arrangements that have been made, the new corporation will acquire fixed and current assets of the partnership at their book value, will assume the payment of outstanding obligations, and will issue \$100,000 par value of its common stock. A pro forma balance sheet as of April 1, 1955, giving effect to the transfer and to the issue of the stock, is as follows:

<u>Assets</u>		
Current assets		\$152,133.84
Fixed assets -		
Cost	\$120,833.22	
Reserve for depreciation	<u>59,096.22</u>	
Net book value		<u>61,737.00</u>
	Total	<u>\$213,870.84</u>
<u>Liabilities and Capital</u>		
Current liabilities		\$ 65,064.00
Deferred income		1,440.60
Notes payable		<u>15,000.00</u>
Total liabilities		81,504.60
Equity capital -		
Capital stock	\$100,000.00	
Paid in surplus	<u>32,366.24</u>	
Total equity capital		<u>132,366.24</u>
	Total	<u>\$213,870.84</u>

From a review of the application it appears that the new corporation will continue the present activities of the partnership and that it will be equipped financially to conduct the operations. Upon the basis of the information set forth in the verified application we are of the opinion, and so find, that the proposed transfer will not be adverse to the public interest.

The application will be granted. The action taken herein shall not be construed to be a finding of the value of the properties

herein authorized to be transferred.

O R D E R

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. Richard E. Lyng and Richard E. Lyng as Trustee for Jeanette Ann Lyng and as Trustee for Marilyn Louise Lyng may transfer to Ed J. Lyng Company, Inc. the assets set forth in the balance sheet as of April 1, 1955, under the terms and conditions set forth in this proceeding.
2. Ed J. Lyng Company, Inc., a corporation, in payment for such assets, may assume the payment of outstanding indebtedness and may issue not exceeding \$100,000 par value of its common stock.
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 the warehouse operations here involved, to show that Richard E. Lyng and Richard E. Lyng as Trustee for Jeanette Ann Lyng and as Trustee for Marilyn Louise Lyng, as partners doing business as Ed J. Lyng Co., have withdrawn or canceled

and that Ed J. Lyng Company, Inc., a corporation, 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. Ed J. Lyng Company, Inc. 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 Los Angeles, California, this 18th day of July, 1955.

Justin J. Casner
~~President~~
Paul L. Linterman
William J. Dooling
B. Harty

Commissioners