

ORIGINAL

Decision No. 55741

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

KANE WAREHOUSES, INC., a
corporation, and
CHARLES H. KANE and CHARLES
P. COSTA, dba CHARLES F.
KANE & CO., a co-partnership,

Application No. 39426
and Amendment

For an order authorizing said
corporation to acquire the ware-
house permit and warehouse
business of said co-partnership,
and to issue stock therefor; and
to said co-partnership to transfer
its warehouse permit and warehouse
business to said corporation.

O P I N I O N

This is an application for an order of the Commission
(1) authorizing Charles H. Kane and Charles P. Costa to transfer
warehouse operations to Kane Warehouses, Inc., and (2) authorizing
said corporation to issue 200 shares of its common stock of the
par value of \$10 each.

Charles H. Kane and Charles P. Costa, copartners doing
business as Charles F. Kane & Co., are engaged in the public utility
warehouse business and in the local drayage business in San
Francisco. A summary statement of the results of their operations,
prepared from their annual reports for the years 1955 and 1956,
is as follows:

	<u>1955</u>	<u>1956</u>
Warehouse operations -		
Operating revenues	<u>\$15,495</u>	<u>\$28,881</u>
Deductions -		
Operating expenses	4,843	14,183
Rent	<u>6,201</u>	<u>3,674</u>
Total deductions	<u>11,044</u>	<u>17,857</u>
Warehouse net operating revenues	<u>4,451</u>	<u>11,024</u>
Other operations -		
Revenues	59,291	63,204
Revenue deductions	<u>52,813</u>	<u>59,013</u>
Net operating revenues	<u>6,478</u>	<u>4,191</u>
Total net operating revenues	<u>\$10,929</u>	<u>\$15,215</u>

The public utility warehouse operations are conducted in leased premises.

In this application, the copartners report they desire to separate the two classes of business and that they have made arrangements to transfer the warehouse operations and assets to a corporation which they have organized for the express purpose of taking over such operations and of continuing the business. The corporation will issue 200 shares of common stock of the aggregate par value of \$2,000 in exchange for assets having reported net values, as of September 1, 1957, as follows:

Accounts receivable	\$2,976.35
Improvements on rented warehouse, less depreciation	79.24
Equipment, less depreciation	<u>776.34</u>
Subtotal	3,831.93
Less current obligations	<u>250.00</u>
Total net values	<u>\$3,581.93</u>

From a review of the verified application and of the financial statements on file, we are of the opinion and so find that the transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of

the stock herein authorized is reasonably required for the purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that an ex parte order should be entered granting the application.

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 and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Charles H. Kane and Charles P. Costa, copartners doing business as Charles F. Kane & Co., may transfer to Kane Warehouses, Inc., their warehouse operative rights and assets as set forth in this application.

2. Kane Warehouses, Inc., in payment for said warehouse operative rights and assets, may issue not exceeding 200 shares of its common stock of the par value of \$10 each.

3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, 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 Charles H. Kane and Charles P. Costa, doing business as Charles F. Kane & Co., have withdrawn or canceled and that Kane Warehouses, Inc., 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. Kane Warehouses, 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 San Francisco, California, this 22nd day of October, 1957.

John E. Mitchell
President
Paula W. Kellner
Marion D. Cole
R. Hardy
E. Lynn Fox
Commissioners