

ORIGINAL

Decision No. 56521

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Petition of
Freight Transport Company, a
California corporation, operating
as a common carrier, for Order
Allowing Exchange of Stock for
Real Property, under Sections
816-830 and 851-853 of the
Public Utilities Code.

Application No. 39941

OPINION AND ORDER

Freight Transport Company, applicant herein, is a California corporation engaged in business activities including, among others, highway common carrier and public utility warehousing operations in Los Angeles. In this application it seeks authorization to transfer certain real property and improvements.

The application shows that Ernest A. Cochran, prior to his death on October 23, 1956, was the owner and holder of 532 of the outstanding 795 shares of applicant's common stock and that the last will and testament of said Ernest A. Cochran directed the executor to negotiate an exchange of said 532 shares for certain real property and improvements in the City of Los Angeles which are owned by the carrier, plus cash, and, on distribution, to turn said real property and improvements over to the widow and adult daughter of said Ernest A. Cochran. The application further shows that the estate is being probated and that the Superior Court of the State of California, in and for the County of Los Angeles, on

November 15, 1957, entered its order authorizing Eugene Kelly, as Executor of the Estate of Ernest A. Cochran, to exchange the 532 shares of capital stock of Freight Transport Company for said real property, subject to a five-year lease to said company as lessee, with the option for an additional five years, plus the written commitment from Freight Transport Company that it will advance to the estate, as needed, all moneys necessary to allow the estate to be closed. Applicant estimates that upon the basis of the valuation made by the Inheritance Tax Appraiser it will take approximately \$27,000 in order to close the estate.

The lease agreement provides for a term of five years commencing as of the first day of January, 1958, and ending on December 31, 1962, with rent in the amount of \$800 a month. The leased premises will be used by the lessee in carrying on its business of transporting freight and for uses and purposes reasonably allied to such business.

Freight Transport Company has filed with the Commission its annual reports showing the results of its operations. The latest report shows carrier revenues of \$693,790 and warehouse revenues of \$53,379, with net income from both sources in the total amount of \$36,438. The report further shows cash on hand at the end of 1957 in the amount of \$124,738 and total current assets of \$200,131 as compared with current liabilities of \$99,123.

The Commission has considered this matter and is of the opinion, and so finds, that the proposed transaction will not be adverse to the public interest and that an ex parte order should be entered, therefore,

IT IS HEREBY ORDERED as follows:

1. Freight Transport Company is authorized to transfer to the heirs or devisees of the estate of Ernest A. Cochran those certain premises in the City of Los Angeles, County of Los Angeles, State of California, described in the application herein, together with improvements thereon, all as set forth in Exhibit A, and to enter into a lease agreement in, or substantially in, the same form as that filed in this proceeding as Exhibit B.

2. The action taken herein shall not be construed to be a finding of the value of said real property and improvements herein authorized to be transferred. The operative property to be transferred shall not be relieved of its devotion to public use and its status as public utility operative property shall remain the same as though the transfer herein authorized had not taken place.

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

Dated at San Francisco, California, this 15th day of April, 1958.

Carl E. Mosher
President
Paula Leetschewer
William D. ...
E. ...
Thomas J. ...
Commissioners