

ORIGINAL

Decision No. 59058

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of A. MEYERS, doing business as  
ECKDAHL WAREHOUSE CO., to transfer,  
and ECKDAHL WAREHOUSE CO., a  
corporation, to purchase operating  
rights and business of a public  
warehouse and highway common  
carrier, and to issue stock.

Application No. 41423

O P I N I O N

This is an application for an order of the Commission  
(1) authorizing A. Meyers, doing business as Eckdahl Warehouse  
Co., to transfer operative rights and equipment to Eckdahl  
Warehouse Co., a corporation, and (2) authorizing said corpora-  
tion to issue \$55,580 par value of common stock and to assume  
the payment of indebtedness.

The application shows that A. Meyers, doing business as  
Eckdahl Warehouse Co., is engaged in operating a public utility  
warehouse in Los Angeles under operative rights acquired pursuant  
to authorization granted by Decision No. 27582, dated December 10,  
1934, and in the operation of a highway common carrier service in  
the Los Angeles area under a certificate granted by Decision  
No. 55306, dated July 22, 1957, and in operations under a  
certificate granted by the Interstate Commerce Commission.  
The following statement, prepared from Exhibit A, indicates his  
financial position as of May 31, 1959:

Tangible assets -		
Cost	\$47,853	
Less - depreciation	<u>30,840</u>	
Net tangible assets		\$17,013
Current and prepaid assets	\$84,124	
Less - current liabilities	<u>45,552</u>	
Net current and prepaid assets		<u>38,572</u>
Total net worth		<u>\$55,585</u>

The application shows that applicant Meyers desires to conduct his operations under a corporate form of organization and that he has made arrangements to transfer his operative rights and equipment to a new corporation, named Eckdahl Warehouse Co., which he has organized for the express purpose of receiving such rights and equipment and of continuing the warehouse and common carrier services. The new corporation will take over the assets at their book values, will assume the payment of the outstanding liabilities and will issue stock in an amount approximately equal to the reported net worth of the business.

It appears that there will be no change in the management or control as the result of the transfer and that the same facilities will be available to the corporation as are now employed in the several services. We are of the opinion, therefore, and so find, that the proposed transfer will not be adverse to the public interest and we will enter our order granting the application.

Applicants are hereby placed on 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 authorization herein granted shall not be construed to be a finding of the value of the operative rights and equipment 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 money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required by said 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. A. Meyers, doing business as Eckdahl Warehouse Co., on and after the effective date hereof and on or before December 31, 1959, may transfer to Eckdahl Warehouse Co., a corporation, the operative rights and the equipment referred to in the preceding opinion and in this application.

2. Eckdahl Warehouse Co., a corporation, in acquiring said operative rights and equipment, may assume the payment of outstanding indebtedness and may issue not to exceed \$55,580 par value of its common stock.

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 on file with the Commission naming rates, rules and regulations governing the common carrier operations here involved to show that A. Meyers, doing business as Eckdahl Warehouse Co., has withdrawn or canceled and that Eckdahl Warehouse Co., 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. 80.

4. 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 A. Meyers, doing business as Eckdahl Warehouse Co., has withdrawn or canceled and that Eckdahl Warehouse Co., 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.

5. Eckdahl Warehouse Co., 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.

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

Dated at San Francisco, California,  
this 29th day of September, 1959.

Gerrit R. Rye  
President  
W. E. Mitchell  
W. E. Mitchell  
E. L. Fox  
Commissioners