

ORIGINAL

Decision No. 61117

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of UNITED CALIFORNIA EXPRESS & STORAGE CO., a California corporation, doing business as U. C. EXPRESS & STORAGE CO., and also doing business as U. C. COTTON COMPRESS & WAREHOUSE CO. (formerly as WHITE PORTABLE COMPRESS COMPANY, DIVISION OF UNITED CALIFORNIA EXPRESS & STORAGE CO.), for authority to issue evidence of indebtedness.

Application No. 42804
Filed October 28, 1960

O P I N I O N

United California Express & Storage Co., a corporation, has filed this application for authorization to issue a promissory note in the principal amount of \$50,000.

United California Express & Storage Co. is engaged in business primarily as a carrier and warehouseman of used household goods and personal effects and also, to a limited extent, in local cartage activities and in the operation of public utility warehouses in the East Bay, its utility operations comprising but a small part of its total business.

The company's outstanding stock consists of 4,050 shares of the par value of \$10 each, which are held by five shareholders. It appears that in order to eliminate internal differences, arrangements have been made for the corporation to reacquire 876 of the outstanding shares from one of the shareholders at a price of \$60,000, which has been agreed upon as

the fair market value of such shares. The corporation proposes to pay \$10,000 of the agreed price in cash, \$10,000 on or before February 1, 1961, and \$500 or more per month beginning January 1, 1961, with interest at the rate of 3-1/2% per annum. The deferred payments will be represented by a note which will be secured by a deed of trust on certain real properties owned by applicant which are said to be used exclusively in the non-public utility operations.

In effect, the proposal of the company involves the exchange of a note for equity capital. In reviewing the operations of the carrier, it appears that the revenues should be ample to service the proposed note, both as to interest and installments, and we find and conclude, therefore, that the transaction will not interfere with the carrier's public utility duties and will not be adverse to the public interest. We will enter our order granting the application.

The authorization herein given for the issue of a note in order to enable the company to reacquire shares of stock is for the purpose of this proceeding only and is given only insofar as this Commission has jurisdiction under the terms of the Public Utilities Code and is not intended as an approval of the transaction as to such other legal requirements to which it may be subject. No authorization is required for the execution of the deed of trust on nonutility properties. We are making no finding with respect to the value of such properties.

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 note herein authorized is reasonably required for the purpose specified herein, and that such purpose, except as otherwise authorized, is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. United California Express & Storage Co., on or after the effective date hereof and on or before February 28, 1961, may issue its note in the principal amount of not to exceed \$50,000, under the terms and for the purpose set forth in this application.

2. United California Express & Storage 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.

3. The authority herein granted will become effective when United California Express & Storage Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California,
this 23rd day of NOVEMBER, 1960.

Everett H. Long

President
W. L. ...

W. L. ...

Commissioners

