

ORIGINAL

Decision No. 62142

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LAURENCE A. HEARNE, an individual,
and L. A. HEARNE WAREHOUSE CO., a
corporation, to sell utility
property, to issue stock and
to transfer Prior Right.

Application No. 43349
Filed April 25, 1961

O P I N I O N

This is an application for an order authorizing Laurence A. Hearne to transfer warehouse operative rights and properties to a corporation in exchange for shares of stock.

Laurence A. Hearne, doing business as L. A. Hearne Warehouse Co., a sole proprietorship, is engaged in operating public utility warehouse facilities at King City, Greenfield and San Lucas and in conducting non-utility activities. He now desires to put his assets in a convenient form, to wit, shares of stock, for estate planning purposes and he proposes to transfer his public utility operations to a new corporation which he has organized for the express purpose of receiving such operations and of continuing the public warehouse service. The new corporation will conduct its operations in the premises which now are owned and utilized by Laurence A. Hearne.

The application shows that the consideration for the transfer of the personal property of the L. A. Hearne Warehouse Co. is \$175,000 to be paid by the issue of 1,750 shares of common stock of the par value of \$100 a share; that nothing is included in the purchase price for the operative rights; that there will be no curtailment in the public warehouse service or change in the rates as the result of the transfer; and that the new corporation will have the use of the same facilities as now are available in the present operations.

Upon considering the application, we find and conclude that the proposed 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; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

We will enter an order 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,

IT IS HEREBY ORDERED that -

1. Laurence A. Hearne, doing business as L. A. Hearne Warehouse Co., may transfer his warehouse operative rights and personal property, as set forth in this application, to L. A. Hearne Warehouse Co., a corporation.

2. L. A. Hearne Warehouse Co., a corporation, in payment for said personal property, may issue not to exceed 1,750 shares of its common stock.

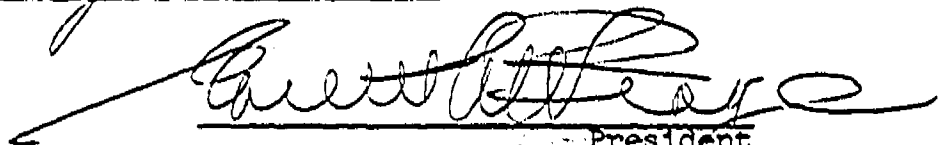
3. The authorization herein granted is for the purpose of this proceeding only and is not to be construed as a finding of the value of the operative rights and personal property herein authorized to be transferred.

4. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of the transfer herein authorized, 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 so as to show that Laurence A. Hearne, doing business as L. A. Hearne Warehouse Co. has withdrawn or canceled and that L. A. Hearne 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.

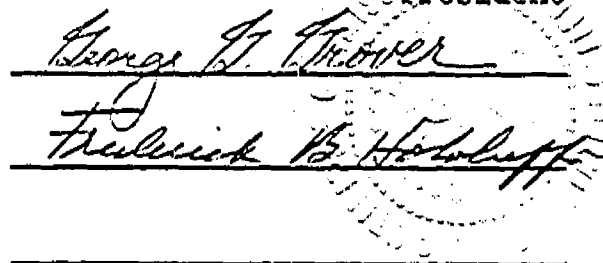
5. L. A. Hearne Warehouse Co., a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable is made a part of this order.

6. The authorization herein granted shall become effective 20 days after the date hereof. If not exercised, such authorization shall terminate on December 31, 1961.

Dated at San Francisco, California,
this 20th day of June, 1961.



President



Commissioners