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Decision No. 67127

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the joint application of TORNELL FARM SERVICE, INC., a California corporation, and GORDON S. W. TORNELL, DEWARD C. TORNELL, GOTHARD S. TORNELL and EVAR A. TORNELL, as co-partners doing business under the name of TORNELL FARM SERVICE, a co-partnership, for an order authorizing TORNELL FARM SERVICE, INC., a corporation, to transfer and assign to TORNELL FARM SERVICE, a co-partnership, the warehouseman prescriptive operative right and other assets of the corporation and for the partnership to operate a warehouse business now being conducted by said corporation. (Public Utilities Commission Code Section 851.)

Application No. 46321 Filed March 27, 1964

OPINION AND ORDER

The purpose of this application is to secure the authorization of the Commission for Tornell Farm Service, Inc. to transfer to Tornell Farm Service the warehouse prescriptive operative right and other corporate assets of the corporation and for Tornell Farm Service, a co-partnership to conduct the warehouse business heretofore conducted by the corporation.

The joint application alleges that the present shareholders of the corporation will be the partners who will operate the business when and if the transfer is authorized and that the partnership interest of each of the proposed partners will roughly equal his present stock ownership in the corporation.

The reason alleged in the joint application for the proposed transfer is merely to liquidate the corporation in order to secure the income tax advantage of Section 333 of the Internal Revenue Code. Said liquidation it is alleged must be completed by April 30, 1964 in order to receive the advantage of Section 333.

There is no purchase price other than the surrender of the shares presently held by each shareholder. Applicant partnership alleges that it will adopt the rates, rules and regulations of the corporation that are presently on file with the Commission.

The Commission has considered this matter and finds that:

- 1. The proposed transfer will not be adverse to the public interest;
 - 2. A public hearing is not necessary.
 IT IS ORDERED that:
- 1. On or before April 30, 1964, Tornell Farm Service, Inc., may sell and transfer, and Gordon S. W. Tornell, Deward C. Tornell, Gothard S. Tornell and Evar A. Tornell, may purchase and acquire, the operative rights and property upon the terms and conditions referred to in the application.
- 2. Within thirty days after the consummation of the transfer herein authorized, Gordon S. W. Tornell, Deward C. Tornell, Gothard S. Tornell and Ever A. Tornell shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.
- 3. Gordon S. W. Tornell, Deward C. Tornell, Gothard S. Tornell and Evar A. Tornell shall amend or reissue the tariffs on file with

the Commission, naming rates and rules governing the warehouse operations herein to show that they have adopted or established, as their own, said rates and rules. The tariff filings may be made effective not earlier than one day after the effective date of this order, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. 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. 61-A.

4. On or before the end of the third month, after the consummation of the transfer as herein authorized, Gordon S. W. Tornell, Deward C. Tornell, Gothard S. Tornell and Evar A. Tornell shall cause to be filed with the Commission, in such form as it may prescribe, an annual report, or reports, covering the period commencing with the first day of the current year to and including the effective date of the transfer.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 44/4

day of April , 1964.

President

Commissioners
Commissioner William M. Bennett, being

necessarily absent. did not participate in the disposition of this proceeding.

Commissioner Peter E. Mitchell, being

necessarily absent, did not participate

ain the disposition of this proceeding.