

**ORIGINAL**

Decision No. 73494

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
) )  
STAR TRUCK & WAREHOUSE CO., )  
) )  
a California corporation, for )  
authority to transfer assets, )  
) )  
and )  
) )  
ANDREAS TRUCK AND WAREHOUSE )  
CORPORATION, d/b/a/ STAR )  
TRUCK & WAREHOUSE CO., )  
) )  
a California corporation, for )  
authority to acquire certain )  
assets. )  
\_\_\_\_\_ )

Application No. 49798  
Filed November 15, 1967  
and Amendment  
Filed November 28, 1967

O P I N I O N

In this application, as amended, Star Truck & Warehouse Co. requests authorization from the Commission (1) to sell and transfer a warehouseman prescriptive operative right and a highway common carrier certificate of public convenience and necessity, together with certain related assets, to Andreas Truck and Warehouse Corporation, and (2) to sell and transfer to Slauson Warehouse Corporation certain real property and improvements thereon. In addition, Andreas Truck and Warehouse Corporation seeks authority to issue and sell \$100,000 aggregate par value of its capital stock and to issue a promissory note in the principal amount of \$100,000.

Pursuant to authority granted by Decision No. 58981, dated September 15, 1959, in Application No. 41400, Star Truck & Warehouse Co., a California corporation, acquired a warehouseman prescriptive operative right and a highway common carrier certificate of public convenience and necessity which respectively authorize operations as a public utility warehouseman in the City of Los Angeles and the transportation of general commodities, with certain exceptions, between various points and places in the Los Angeles Basin Territory, excluding Hemet. The company also holds permits issued by this Commission and operates under the jurisdiction of the Interstate Commerce Commission.

The balance sheet of Star Truck & Warehouse Co. dated September 30, 1967, attached to the application as part of Exhibit No. 6, shows assets totaling \$954,658 offset by current liabilities of \$65,254 and common stock equity of \$839,404.

In the present proceeding Star Truck & Warehouse Co. proposes to sell and transfer said warehouseman prescriptive operative right and highway common carrier certificate of public convenience and necessity, together with certain related assets, to Andreas Truck and Warehouse Corporation for a sum of \$75,300 subject to inventory adjustments.

Andreas Truck and Warehouse Corporation, a California corporation organized on or about June 19, 1967, has agreed to purchase said assets in accordance with the terms of an agreement dated August 23, 1967, a copy of which is attached to the application as Exhibit No. 4.

To obtain funds for financing the acquisition and providing working capital, Andreas Truck and Warehouse Corporation seeks authority to issue and sell, at par for cash, 100 shares of its \$1,000 par value capital stock and to issue a \$100,000 note in favor of Slauson Warehouse Corporation.

According to Exhibit No. 9, attached to the amendment to the application, the proposed note would be repayable in equal annual installments on principal of \$20,000 plus interest at the rate of 8% on the unpaid balance. Subsequent to filing the amendment, applicants reported that the agreed interest rate on said note could be reduced to 6% per annum.

A pro forma balance sheet for Andreas Truck and Warehouse Corporation, giving effect to the transactions described herein, is attached to the amendment to the application as Exhibit No. 10 and is summarized as follows:

Assets

Cash	\$114,700
Tangible property	64,300
Intangible assets	<u>21,000</u>
Total	<u>\$200,000</u>

Liabilities

Long-term debt	\$100,000
Capital stock	<u>100,000</u>
Total	<u>\$200,000</u>

The application, as amended, indicates that the purchaser will allocate \$10,000 of intangibles to organization and sums of \$7,500 and \$250, respectively, to the Interstate Commerce Commission operative rights and to the intrastate

certificate of public convenience and necessity. The balance of \$3,250 will be assigned to the particular class of property known as good will.

Star Truck & Warehouse Co. also requests permission to sell and transfer real property and improvements thereon to Slauson Warehouse Corporation, a California corporation, for a total consideration of \$854,700. The latter is not engaged in public utility operations and it appears that said property will be leased to Andreas Truck and Warehouse Corporation, which plans to conduct its business activities under the name of Star Truck & Warehouse Co. The two corporations will have the same stockholders.

The Commission has considered this matter and finds that: (1) the transactions proposed in this proceeding will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the stock and note herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application, as amended, should be granted, provided that the interest rate on the note does not exceed 6% per annum. A public hearing is not necessary.

The action taken herein shall not be construed as a finding of the value of the operative rights and other assets to be transferred. So far as the rights are concerned, the authorization herein granted is for the transfer of the warehouseman prescriptive operative right and the highway common carrier certificate of public convenience and necessity only. Any transfer of permitted rights must be the subject of a separate application or applications.

O R D E R

IT IS ORDERED that:

1. On or after the effective date hereof and on or before March 31, 1968, Star Truck & Warehouse Co. may sell and transfer, and Andreas Truck and Warehouse Corporation may purchase and acquire, the warehouseman prescriptive operative right and the highway common carrier certificate of public convenience and necessity and other related assets referred to in this proceeding.
2. On or after the effective date hereof and on or before March 31, 1968, Star Truck & Warehouse Co. may sell and transfer, and Slauson Warehouse Corporation may purchase and acquire, the real property and improvements set forth in the application.
3. Andreas Truck and Warehouse Corporation, on or after the effective date hereof and on or before March 31, 1968, for the purposes specified in this proceeding, may issue and sell, at par for cash, not exceeding 100 shares of its \$1,000 par value capital stock.

4. On or after the effective date hereof and on or before March 31, 1968, Andreas Truck and Warehouse Corporation may issue its promissory note in the principal amount of not exceeding \$100,000 for the purposes specified herein. Said document shall be in the same form, or in substantially the same form, as that filed in this proceeding as Exhibit No. 9, except that the interest rate shall not exceed 6% per annum.

5. Andreas Truck and Warehouse Corporation shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

6. Within thirty days after the consummation of the transfers herein authorized, Andreas Truck and Warehouse Corporation 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 transfers.

7. Andreas Truck and Warehouse Corporation shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations and the highway common carrier operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not earlier than five days after the effective date of this order and on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent

with the consummation of the transfers 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 Orders Nos. 61-A and 80-A. Failure to comply with and observe the provisions of General Orders Nos. 61-A and 80-A may result in cancellation of the operating authority granted by this Commission.

8. On or before the end of the third month after the consummation of the transfers as herein authorized, Andreas Truck and Warehouse Corporation shall cause to be filed with the Commission in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the seller for the period commencing with the first day of the current year to and including the effective date of the transfers.

9. This order shall become effective when Andreas Truck and Warehouse Corporation has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$100.

Dated at San Francisco, California,  
this 19<sup>th</sup> day of DECEMBER, 1967.

[Signature] President  
[Signature]  
[Signature]  
[Signature] Commissioners  
[Signature] Commissioners

