

**ORIGINAL**Decision No. 80395

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
 of METRO DISTRIBUTION CENTERS,  
 INC., a corporation, for authority  
 to issue shares of its common  
 capital stock pursuant to Section  
 816-830 of the California Public  
 Utilities Code and to acquire  
 certain Certificates of Public  
 Convenience and Necessity, and  
 MARGARET GREEN MURCH, Executrix  
 of the Estate of JACK O. MURCH,  
 doing business as AMERICAN  
 TRANSPORTATION COMPANY, to  
 transfer pursuant to Section  
 851-853 of the California Public  
 Utilities Code.

Application No. 53460  
 (Filed July 14, 1972)

O P I N I O N

Margaret Green Murch, Executrix of the Estate of Jack O. Murch, doing business as American Transportation Company, seeks authority to transfer a highway common carrier certificate of public convenience and necessity to Metro Distribution Centers, Inc., and the latter seeks authority to issue 750 shares of its no par value common stock to Metropolitan Warehouse Company for \$7,500 working capital.

Margaret Green Murch, Executrix of the Estate of Jack O. Murch, operates as a highway common carrier of general commodities in the Los Angeles Basin Territory pursuant to the certificate of public convenience and necessity granted by Decision No. 62690, dated October 17, 1961, as subsequently

amended, in Application No. 43238. This authority is the subject of a Certificate of Registration issued by the Interstate Commerce Commission in Docket No. MC-29309, Sub No. 3. Transferor also conducts operations in California as a permitted carrier.

Metropolitan Warehouse Company operates as a public utility warehouseman in the City of Los Angeles and as a highway common carrier of specified commodities in the Los Angeles Territory, all pursuant to certificates of public convenience and necessity granted by this Commission. At December 31, 1971, it reports total assets of \$923,573, offset by current and accrued liabilities, common stock equity and other liabilities in the respective amounts of \$331,443, \$489,570 and \$102,560.

Metro Distribution Centers, Inc. is a California corporation incorporated on or about April 27, 1972. It proposes to acquire said intrastate and interstate operating rights from Margaret Green Murch, Executrix of the Estate of Jack O. Murch, for \$30,000 cash. The corporation further proposes to issue 750 shares of its no par value common stock to Metropolitan Warehouse Company at a stated value of \$10 per share, for the purpose of providing working capital.

The application indicates that Metro Distribution Centers, Inc. would have available to it adequate terminal facilities and equipment. Additional working capital would be advanced to the company as needed.

After consideration the Commission finds that:

1. The proposed transactions would not be adverse to the public interest.
2. The proposed stock issue is for a proper purpose.

3. 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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary.

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

The order which follows will provide for, in the event the transfer is consummated, the revocation of the certificate presently held by Margaret Green Murch, Executrix of the Estate of Jack O. Murch, and the issuance of a certificate in appendix form to Metro Distribution Centers, Inc. This certificate will be restated, but such restatement will not change nor broaden the authority transferred.

Metro Distribution Centers, Inc. is 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, these rights extend to the holder a full or partial monopoly of

a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1972, Margaret Green Murch, Executrix of the Estate of Jack O. Murch, may sell and transfer, and Metro Distribution Centers, Inc. may purchase and acquire, the highway common carrier certificate of public convenience and necessity referred to in the application.

2. Metro Distribution Centers, Inc., on or after the effective date hereof and on or before December 31, 1972, for the purpose specified in the application, may issue not exceeding 750 shares of its no par value common stock to Metropolitan Warehouse Company at a stated value of \$10 per share.

3. Metro Distribution Centers, Inc. shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. Within thirty days after the consummation of the transfer herein authorized, Metro Distribution Centers, Inc. 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.

5. Metro Distribution Centers, Inc. shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing 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 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 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. 80-Series. Failure to comply with and observe the provisions of General Order No. 80-Series may result in a cancellation of the operating authority granted by this decision.

6. On or before the end of the third month after the consummation of the transfer herein authorized, Metro Distribution Centers, Inc. 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 Margaret Green Murch, Executrix of the Estate of Jack O. Murch, for the period commencing with the first day of the current year to and including the effective date of the transfer.

7. In the event the transfer authorized in Paragraph No. 1 hereof is consummated, a certificate of public convenience and necessity is granted to Metro Distribution Centers, Inc. authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points particularly set forth in Appendix A attached hereto and made a part hereof.

8. The certificate of public convenience and necessity granted in Paragraph No. 7 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 62690, as amended, which certificate is revoked effective concurrently with the effective date of the tariff filings required by Paragraph No. 5 hereof.

9. Within thirty days after the transfer herein authorized is consummated, Metro Distribution Centers, Inc. shall file a written acceptance of the certificate herein granted. Metro Distribution Centers, Inc. is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, it will be required, among other things, to comply with and observe the safety rules of the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.

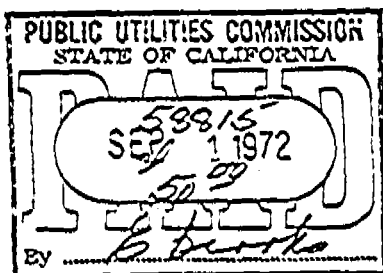
10. Metro Distribution Centers, Inc. shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

11. Metro Distribution Centers, Inc. shall comply with the requirements of the Commission's General Order No. 34-Series for the transportation of collect on delivery shipments. If Metro Distribution Centers, Inc. elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

12. Whenever Metro Distribution Centers, Inc. engages other carriers for the transportation of property of Metropolitan Warehouse Company or Metro Distribution Centers, Inc., or customers or suppliers of said corporation, Metro Distribution Centers, Inc. shall not pay such other carriers rates and charges less than the rates and charges published in Metro Distribution Centers, Inc.'s tariffs on file with the Commission.

13. The authority herein granted to issue stock will become effective when Metro Distribution Centers, Inc. has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50. In other respects the effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 29th  
day of AUGUST, 1972.



Vernon L. Sturgeon  
President  
William L. Sturgeon Jr.  
William L. Sturgeon Jr.  
Thomas M. Sturgeon  
Sturgeon  
Commissioners

Metro Distribution Centers, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Section 213 of the Public Utilities Code for the transportation of general commodities between all points and places in the Los Angeles Basin Territory as described in Note A.

Applicant shall not transport any shipments of:

1. Used household goods and personal effects not packed in accordance with the crated property requirements set forth in Item 5 of Minimum Rate Tariff 4-B.
2. Automobiles, trucks and buses, viz.: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses and bus chassis.
3. Livestock, viz.: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags or swine.
4. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
5. Liquids, compressed gases, commodities in semiplastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.
6. Commodities when transported in bulk in dump trucks or in hopper-type trucks.
7. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
8. Logs.

Issued by California Public Utilities Commission.

Decision No. 80395, Application No. 53460.



Note A

## LOS ANGELES BASIN TERRITORY

Los Angeles Basin Territory includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County Boundary Line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway 118, approximately two miles west of Chatsworth; easterly along State Highway 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; north-easterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary of the City of San Fernando to Maclay Avenue; northeasterly along Maclay and its prolongation to the Los Angeles National Forest Boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest Boundary to Mill Creek Road (State Highway 38); westerly along Mill Creek Road to Bryant Street; southerly along Bryant Street to and including the unincorporated community of Yucaipa; westerly along Yucaipa Boulevard to Interstate Highway 10; northwesterly along Interstate Highway 10 to Redlands Boulevard; northwesterly along Redlands Boulevard to Barton Road; westerly along Barton Road to La Cadena Drive; southerly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to State Highway 60; southeasterly along State Highway 60 and U. S. Highway 395 to Nuevo Road; easterly along Nuevo Road via Nuevo and Lakeview to State Highway 79; southerly along State Highway 79 to State Highway 74; thence westerly to the corporate boundary of the City of Hemet; southerly, westerly and northerly along said corporate boundary to the Atchison, Topeka & Santa Fe right-of-way; southerly along said right-of-way to Washington Road; southerly along Washington Road through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to Winchester Road (State Highway 79) to Jefferson Avenue; southerly along Jefferson Avenue to U. S. Highway 395; southerly along U. S. Highway 395 to the Riverside County-San Diego County Boundary Line; westerly along said boundary line to the Orange County-San Diego County Boundary Line; southerly along said boundary line to the Pacific Ocean; northwesterly along the shoreline of the Pacific Ocean to point of beginning, including the point of March Air Force Base.

(END OF APPENDIX A)

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