

Decision No. 80522

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of:)
)
CENTRAL TERMINAL WAREHOUSE &)
TRUCKING CO., a corporation,)
HULL-SMITH CO., a corporation,)
and EDWARD R. HULL, for)
authorization to acquire control)
of CENTRAL TERMINAL WAREHOUSE)
COMPANY a corporate public)
utility warehouseman.)

Application No. 53546
(Filed August 23, 1972)

O P I N I O N

As required by Section 854 of the California Public Utilities Code, Central Terminal Warehouse & Trucking Co., Hull-Smith Co., and Edward R. Hull seek an order of the Commission authorizing them to acquire control of Central Terminal Warehouse Company.

Central Terminal Warehouse & Trucking Co. is a California corporation incorporated on December 30, 1971. It proposes to acquire substantially all the assets of Hull-Smith Co., and all the outstanding capital stock of Central Terminal Warehouse Company and S and J Trucking Company.

Hull-Smith Co. is a California corporation incorporated on October 3, 1953 under the name of Hull-Taylor Co. By amendment of its Articles of Incorporation on August 2, 1972, its name became Hull-Smith Co. The corporation engages in private warehousing and trucking activities. It does business as Pride Trucking Co. under radial highway common carrier and

highway contract carrier permits issued by this Commission. According to the application, the carrier's outstanding capital stock is held in proportions of approximately 60% and 40% by Edward R. Hull and Franklin E. Smith, respectively.

Central Terminal Warehouse Company is a California corporation incorporated on August 7, 1947. It operates as a public utility warehouseman in the City of Santa Fe Springs pursuant to the certificate of public convenience and necessity granted by Decision No. 79855, dated March 28, 1972, in Application No. 53093. In addition, the company operates as a radial highway common carrier under a permit issued by this Commission. All of the corporation's outstanding capital stock is held by one Pastor Valenciana. For the year 1971, the utility reports total operating revenues aggregating \$129,236, segregated between public utility warehousing, nonutility warehousing and trucking operations in the respective amounts of \$68,001, \$41,630 and \$19,605. Its reported total assets and deficit at March 31, 1972, amounting to \$62,024 and \$7,034, respectively, are offset by current liabilities in the amount of \$69,058.

S and J Trucking Company is a California corporation incorporated on August 26, 1969, and possesses radial highway common carrier and highway contract carrier permits issued by this Commission. All of its outstanding capital stock is held by said Pastor Valenciana.

Pursuant to a permit issued by the Commissioner of Corporations on June 9, 1972, Central Terminal Warehouse & Trucking Co. proposes to issue (a) 8,000 shares of its \$1 par value capital stock to Hull-Smith Co. in exchange for substantially all the latter corporation's assets, and (b) 2,000 shares

of its \$1 par value capital stock to Pastor Valenciana in exchange for all of the outstanding capital stock of Central Terminal Warehouse Company and S and J Trucking Company. In addition, Central Terminal Warehouse & Trucking Co. would pay in monthly installments of \$800 the remaining balance of the purchase price of \$52,054.14 at March 31, 1972, resulting from said Pastor Valenciana's purchase in 1969 of shares of Central Terminal Warehouse Company from two individuals.

In support of the proposed transactions the verified application states the following:

"All persons who will be responsible for the operation of the public utilities warehouse business are experienced and otherwise well qualified to own and operate a public utility warehouse. By reason of the present financial condition of CENTRAL TERMINAL WAREHOUSE COMPANY, the public convenience and necessity will be served by the addition of experienced management, additional financial resources and by the ultimate addition of additional storers that are presently storing their goods in a private warehouse. The proposed pooling of interest of a private warehousing business with the public utility warehouse should result in lower operating costs and other savings to the utility and bring under the jurisdiction of the Public Utilities Commission additional storers and greater ease of regulation."

Effective March 4, 1972, Section 854 became a part of the California Public Utilities Code, and reads as follows:

"No person or corporation, whether or not organized under the laws of this State, shall, after the effective date of this section, acquire or control either directly or indirectly any public utility organized and doing business in this State without first securing authorization to do so from

the commission. Any such acquisition or control without such prior authorization shall be void and of no effect. No public utility organized and doing business under the laws of this State shall aid or abet any violation of this section."

After consideration the Commission finds that the proposed acquisition of control of Central Terminal Warehouse Company by Edward R. Hull, Hull-Smith Co. and Central Terminal Warehouse & Trucking Co. would not be adverse to the public interest, and concludes that the application should be granted. A public hearing is not necessary. The action taken herein shall not be construed as a finding of value of the stock of Central Terminal Warehouse Company.

O R D E R

IT IS ORDERED that Edward R. Hull, Hull-Smith Co. and Central Terminal Warehouse & Trucking Co., and each of them, on or after the date hereof and on or before December 31, 1972, may acquire control of Central Terminal Warehouse Company.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19th day of SEPTEMBER, 1972.

Vernon L. Sturgeon
President
William L. ...
J. J. ...
...
Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.