

Decision No. 89683 NOV 28 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application:)
of:)

(a) Furniture Transportation)
Systems, Inc., a corporation, to)
purchase, and Dennis Firestone, an)
individual doing business as Fire-)
stone Transportation Systems, to)
sell, a certificate as a public)
warehouse at Los Angeles, Califor-)
nia, pursuant to Section 851 of)
the Public Utilities Code.)

Application No. 58407
(Filed October 11, 1978)

(b) Furniture Transportation)
Systems, Inc., a corporation, to)
issue shares of its common capital)
stock, pursuant to Sections 816-)
830 of the Public Utilities Code.)

(c) K.K.W. Trucking, Inc., a)
corporation, to control Furniture)
Transportation Systems, Inc., a)
corporation, pursuant to Section)
852 of the Public Utilities Code.)

OPINION AND ORDER

Dennis W. Firestone, an individual doing business as Furniture Transportation Systems, in Decision No. 85818, dated May 11, 1976, was granted a certificate of public convenience and necessity as a public warehouseman for the operation of 80,000 square feet of storage or warehouse floor space at Los Angeles. By this application, Dennis W. Firestone seeks authority to sell and transfer and, Furniture Transportation Systems, Inc., a corporation, seeks authority to purchase and acquire the aforementioned operative right.

The Corporation seeks to issue shares of stock to Mr. Firestone in exchange for the public warehouse certificate and certain assets of the proprietorship business. The Articles of Incorporation of the Corporation authorize the issuance of common

capital stock. This is the only class of stock authorized. It has no stated par value. The Corporation presently has no shares of stock issued or outstanding.

By this application the Corporation, pursuant to Sections 816-830 of the Public Utilities Code, seeks authority to issue one thousand four hundred (1,400) shares of its common capital stock to Mr. Firestone in consideration of the sale and transfer to the Corporation the assets of Dennis W. Firestone, doing business as Furniture Transportation Systems. Exhibit B attached to the application presents a Giving Effect Balance Sheet of the Corporation which illustrates the corporate position as a result of the purchase and stock issue transactions sought by this application.

Further, by the instant application, Mr. Firestone immediately following the receipt of the stock from the Corporation, proposes in turn to sell the same 1,400 shares of common capital stock to K.K.W. Trucking, Inc. for the sum of one thousand four hundred dollars (\$1,400) cash. This is an amount equivalent to the net worth transferred by Mr. Firestone to the Corporation. The majority stockholder of K.K.W. Trucking, Inc. is Mr. Firestone.

Further, by the instant application, K.K.W. Trucking, Inc., in turn, seeks authority under Section 852 of the Public Utilities Code to control the Corporation.

The transfer of Mr. Firestone's public warehouse certificate to the Corporation and the subsequent purchase of control of the Corporation by K.K.W. Trucking, Inc. will continue the same experienced management, at the existing rates, and will assure adequate service to the public in the same manner as heretofore. The change from a sole proprietorship to a corporation will only change the financial structure of an on-going business. Approval of the application will have no adverse effect upon the environment.

The application was listed on the Commission's Daily Calendar of October 16, 1978. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that:

1. Public convenience and necessity require that the aforementioned operative right be purchased by and transferred to Furniture Transportation Systems, Inc.

2. Furniture Transportation Systems, Inc., be authorized to issue not to exceed one thousand four hundred (1,400) shares to Dennis W. Firestone for the equity consideration described in the application.

3. K.K.W. Trucking, Inc. be authorized to purchase for one thousand four hundred dollars (\$1,400) cash the one thousand four hundred (1,400) shares of common capital stock of Furniture Transportation Systems, Inc. from Dennis W. Firestone. Such purchase of common capital stock shall be deemed to grant control over Furniture Transportation Systems, Inc. to K.K.W. Trucking, Inc.

4. It can be seen with certainty that the proposed activity will not have a significant effect on the environment.

5. A public hearing is not necessary.

6. The order which follows will provide for revocation of the present certificate held by the applicant and the issuance in its place and stead a new certificate.

7. Further, the order which follows will provide for the issuance of common capital stock by Furniture Transportation Systems, Inc. in the amount of one thousand four hundred (1,400) shares with no stated par value.

8. Further, the order which follows will provide for the purchase of one thousand four hundred (1,400) shares of Furniture Transportation Systems, Inc.'s common capital stock by K.K.W. Trucking, Inc. from Dennis W. Firestone for one thousand four hundred dollars (\$1,400).

9. Furniture Transportation Systems, Inc. is 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, such 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.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Furniture Transportation Systems, Inc. to operate as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, for the operation of storage or warehouse floor space set forth in Appendix A, attached hereto and made a part hereof.

2. Furniture Transportation Systems, Inc., is authorized to issue one thousand four hundred (1,400) shares of its common capital stock to Dennis W. Firestone.

3. In issuing this decision, we place the issuer of the authorized stock and its share holders on notice that we do not regard the number of shares outstanding, the total stated value of the shares, nor the dividends paid, as measuring the return it should be allowed to earn on its investment in plant, and that this authorization is not to be construed as a finding of the value of the Company's stock or property nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

4. K.K.W. Trucking, Inc. is authorized to purchase and acquire one thousand four hundred (1,400) share of Furniture Transportation Systems, Inc. common capital stock for one thousand four hundred dollars (\$1,400) from Dennis W. Firestone. Upon the completion of this purchase and the acquisition of one thousand four hundred (1,400) shares of common capital stock K.K.W. Trucking, Inc. is authorized to assume control of the operations of Furniture Transportation Systems, Inc.

5. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure to do so may result in a cancellation of the authority,

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to file annual reports of its operations.
- (b) Within one hundred and twenty days after the effective date of this order, applicant shall establish the authorized service, and file tariffs, in triplicate, in the Commission's office.
- (c) 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 establishment of the service authorized.
- (d) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order 61-Series.
- (e) Applicant 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.

6. The certificate of public convenience and necessity granted by Decision No. 85818, dated May 11, 1976, is revoked effective concurrently with the effective date of the tariff filings required by paragraph 5.

7. The authority granted by this order to issue stock will become effective when the issuer has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50.

In all other respects the effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 28th day of NOVEMBER, 1978.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Robert Bateman

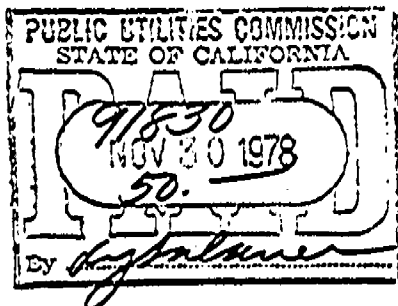
President

William Synovus Jr.

Richard D. Hoyle

Clair L. DeSicily

Commissioners



APPENDIX A

FURNITURE TRANSPORTATION SYSTEMS, INC.
(a corporation)

Furniture Transportation Systems, Inc., a corporation, by the certificate of public convenience and necessity granted in the decision noted below, is authorized to operate as a public utility warehouseman as defined in Section 239 (b) of the Public Utilities Code for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Los Angeles	80,000

(The floor space shown is exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.)

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision 89583 Application 58407.