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Decision No. 11986.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
SHAW WAREHOUSE AND FORWARDING COMPANY,)
a corporation, to issue fifty shares)
of its common stock.)

Application No. 8854.

Archer Bowden for Applicant.

SEAVEY, Commissioner.

O P I N I O N.

SHAW WAREHOUSE AND FORWARDING COMPANY asks permission to issue fifty shares (\$5,000.00 par value) of its common stock of the par value of \$100.00 per share. Applicant intends to issue \$4,000.00 of its stock to J.G. Shaw, Roy Thrift, Minnie A. Shaw, Victoria A. Thrift and A.A. Thrift in exchange for their respective interests in an existing warehouse and storage business at San Jose, and to issue and sell \$1,000.00 of stock for cash.

Applicant alleges the present worth of its business to be \$6,600.00. In arriving at this amount, applicant placed a cash value of \$5,000.00 on warehousing contracts, a value of \$2,000.00 on a lease, a value of \$2,000.00 on warehouse and office equipment, and reports accounts receivable of \$600.00 and cash on hand at \$250.00. Its accounts payable are reported at \$1,250.00 and "future liabilities" at \$2,000.00. The payment of the indebtedness, \$3,250.00, will be assumed by applicant.

We do not agree with the values which have been assigned to warehouse contracts and the lease. Inasmuch as applicant will assume the payment of \$3,250.00 of indebtedness, only \$1,000.00 of stock will be authorized to be issued in exchange for the interest which the persons

named in the first paragraph of this opinion may have in the business, to which reference has been made. Applicant will be authorized to issue and sell, at not less than par, \$1,000.00 of stock and use the proceeds for working capital. Upon supplemental application, the Commission may authorize the issue of additional stock to pay indebtedness assumed by applicant.

I herewith submit the following form of Order:

O R D E R.

SHAW WAREHOUSE AND FORWARDING COMPANY having applied to the Railroad Commission for permission to issue \$5,000.00 of stock and assume the payment of indebtedness, a public hearing having been held and the Railroad Commission being of the opinion that applicant should be authorized to issue at this time only \$2,000.00 of stock and assume the payment of indebtedness referred to in this application and that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required by applicant;

IT IS HEREBY ORDERED, that SHAW WAREHOUSE AND FORWARDING COMPANY be, and it is hereby, authorized to issue for the purposes indicated in this order and subject to the terms and conditions hereof, \$2,000.00 of common capital stock and assume the payment of not exceeding \$3,250.00 of indebtedness referred to in this application.

The authority herein granted is subject to the following conditions:

- 1.---Stock in the amount of \$1,000.00 may be issued in exchange for the interest which J.G. Shaw, Roy Thrift, Minnie A. Shaw, Victoria A. Thrift and A.A. Thrift may have in the warehouse and storage properties and business referred to in this application.
- 2.---Stock in the amount of \$1,000.00 shall be sold by applicant, for cash, at not less than par and the proceeds used for working capital.

3.---Shaw Warehouse and Forwarding Company shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report as required by the Railroad Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

4.---The authority herein granted will become effective upon the date hereof and will expire on November 1, 1923.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 27th day of April, 1923.

C. Shaver
H. B. ...
Iwing ...

J. T. Whittier
Commissioners.