

DM

Decision No. 13735.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of the)
SECURITY WAREHOUSE AND COLD STORAGE COM-)
PANY, a corporation, for permission to) Application Number 9402.
issue and sell an additional 400 shares)
of its capital stock at \$100. per share.)

S. G. Tompkins, for Applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

In this application the Railroad Commission is asked to make an order authorizing SECURITY WAREHOUSE AND COLD STORAGE COMPANY to issue and sell \$40,000. of its capital stock at par for the purpose of paying outstanding indebtedness.

Security Warehouse and Cold Storage Company is engaged in a general warehousing and cold storage business in San Jose. For the year ending December 31, 1920 it reports operating revenues of \$61,871.21; operating expenses, exclusive of depreciation as \$35,668.96; and net operating revenues of \$26,202.25. After deducting interest, depreciation and miscellaneous items it reports a net corporate income for the year of \$14,265.52. In 1921 the company reports gross revenues of \$124,902.08; operating expenses of \$70,622.14; and net operating revenues of \$54,279.94. After paying interest and making allowances for depreciation and other deductions from income it reported a net corporate income for the year of \$32,765.26. In 1922 the company reported operating revenues of \$167,295.87; operating expenses of \$91,502.84; net operating revenues of \$75,793.03; and net

corporate income of \$50,387.06.

Applicant was incorporated on or about October 31, 1919 with an authorized capital stock of \$500,000. divided into 5,000 shares of the par value of \$100. each. By Decision Number 6944 dated December 17, 1919, as amended, the Commission authorized the company to issue and sell \$300,000. of its capital stock. The company has issued \$285,000. of the stock. It is of record that applicant will issue no more stock under the authority granted in Decision Number 6944. The \$40,000. of stock which applicant now asks permission to issue includes the \$15,000. authorized to be issued by Decision Number 6944, but not issued by applicant.

Applicant reports that it will use the money received from the sale of the stock now applied for to liquidate outstanding indebtedness. As of October 31, 1923 the company's outstanding indebtedness is reported as \$76,124.17, consisting of \$52,000. of six per cent. short term notes and \$24,124.17 of accounts payable. The testimony herein shows that this indebtedness was contracted to pay for extensions, additions and betterments to applicant's plants and properties.

ORDER

SECURITY WAREHOUSE AND COLD STORAGE COMPANY having applied to the Railroad Commission for permission to issue and sell stock, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through such issue of stock is reasonably required by applicant,

IT IS HEREBY ORDERED that Security Warehouse and Cold Storage Company be, and it is hereby, authorized to issue and sell at not less than par \$40,000. of its capital stock and to use the proceeds for the purpose of liquidating in part the outstanding indebtedness

