

LEM

Decision No. 15126.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LATHROP HAY COMPANY,)
of Hollister, California, for order) Application No. 11326
authorizing the issue of stock.)

P. G. Shoeny, for applicant.

BY THE COMMISSION:

OPINION

In this application Lathrop Hay Company asks the Railroad Commission to make an order authorizing it to issue 1,000 shares of its capital stock, of the aggregate par value of \$50,000.00, and to deliver 503 shares thereof in lieu of a like amount heretofore issued under authority granted by the Commissioner of Corporations but without an order from this Commission, and to sell the remaining 497 shares at \$100.00 a share, to finance the cost of acquiring the business and properties of Hollister Warehouse Company and of providing working capital.

The application shows that Lathrop Hay Company is engaged in the business of buying, selling, weighing and storing hay in San Benito County and through Central California. It appears that the corporation was organized on or about May 5, 1893 under the name of Farmers Hay Company, the name being subsequently changed to the present one by an order, dated August 7, 1899, of the Superior Court in and for the County of San Benito.

The company has an authorized capital stock of \$100,000.00, divided into 2,000 shares of the par value of \$50.00 each, all common. Of the authorized amount, it appears that 1,000 shares, of the total par value of \$50,000.00, were issued upon organization, and that 503 shares, of the total par value of \$25,150.00, were issued and sold, at \$95.00 a share, a price yielding applicant \$47,785.00, pursuant to an order of the Commissioner of Corporations dated April 3, 1923, to pay in part for the properties and business of The Etcheverry Warehouse Company located at Tres Pinos and consisting of three grain warehouses, five hay warehouses, a planing mill, barley mill, a lumber yard, three dwelling houses, barns, outhouses, rolling stock and equipment.

The issue of the 503 shares of stock was not authorized by the Railroad Commission. It appears, however, that the issue of such stock without an order from the Commission was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. In now making this application the company states that it wishes to recall the 503 shares so issued and to re-issue them under authority granted by this Commission.

Applicant proposes to issue and sell 450 shares of the remaining 497 shares of stock at \$100.00 a share to pay for the properties of Hollister Warehouse Company, or to pay indebtedness incurred in the purchase of such properties, and to sell the balance at \$100.00 per share to provide for working capital.

The annual report of Hollister Warehouse Company filed with the Railroad Commission for the year ending December 31, 1924, shows that it owns and operates five warehouses and operates under contract of sale two warehouses belonging to Sperry Flour Company. The report indicates that the warehouses have an aggregate floor space of 56,500 square feet and an aggregate capacity of 11,500 tons. The

company reports its gross revenues for 1922 at \$17,987.04; for 1923 at \$24,904.17; and for 1924 at \$28,872.67; and its net revenues for 1922 at \$3,299.91; for 1923 at \$5,832.14; and for 1924 at \$11,277.35.

O R D E R

Lathrop Hay Company, having applied to the Railroad Commission for permission to issue \$50,000.00 of its capital stock, a public hearing having been held before Examiner Fankhauser, and the Commission being of the opinion that the money, property or labor to be procured or paid for through such issue is reasonably required for the purposes specified herein and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Lathrop Hay Company be, and it hereby is, authorized to issue 1,000 shares of its common capital stock of the aggregate par value of \$50,000.00 and to deliver 503 shares thereof in lieu of a like amount heretofore issued without an order from the Commission, as indicated in the foregoing opinion, and to sell the remaining 497 shares at not less than \$100.00 per share for the purpose of financing the cost of acquiring the properties of Hollister Warehouse Company and of providing working capital.

The authority herein granted is subject to further conditions as follows:-

1. Applicant 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.

2. The authority herein granted will become effective upon
the date hereof, but under such authority no stock
may be issued subsequent to December 1, 1925.

DATED at San Francisco, California, this 3rd day
of July, 1925.

H. H. Brundage

George D. Squires
Emmett C. Smith

Commissioners.