Decision No. 160/7 .

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the DAVIES WAREHOUSE COMPANY for order authorizing the issuance of First Mortgage Leasehold Seven Percent Sinking Fund Gold Bonds to the face value of \$175,000.00; notes payable on or before February 1st,1928, not to exceed a total of \$35,000.00; Seven Percent Cumulativo Preferred Stock to the face value of \$50,000.00 and Common Stock to the face value of \$50,000.00.

Application No. 10767



BY THE COLDISSION:

## THIRD SUPPLEMENTAL ORDER

Davies Warehouse Company in its request of February 8th asks the Railroad Commission to give further consideration to its application for permission to issue and sell \$50,000.00 of seven percent. cumulative preferred stock and \$50,000.00 of common stock.

The Commission's Decision No. 14604 dated February 26, 1925, shows that applicant was a creditor of its principal stockholder. In its decision the Commission stated that it will not authorize applicant to issue stock or notes until the amount due from stockholders has been collected. The company now reports that all except \$5,928.75 has been collected from its stockholders.

Information on file with the Commission shows that the company has constructed a new warehouse and that in order to finance the construction of such warehouse it became indebted to the Hammond Lumber Company in the sum of \$35,000.00. Such debt is secured by a deed of trust dated September I, 1925, and due

March 1, 1926. The payment of this debt is guaranteed by some of applicants' stockholders. The company asks permission to issue and sell stock at par to pay such indebtedness.

par to refund outstanding bonds and provide itself with working capital. The company has outstanding \$175,000.00 of seven percent bonds. The mortgage securing the payment of the bonds requires the company to deposit on February 1, 1926, and on the first day of each month thereafter until all of the bonds have been paid, the sum of \$900.00. The money so deposited must be used by the trustee to redeem bonds at not exceeding 105 and accrued interest.

Applicant reports that Chas. T. B. Jones is its president and that he intends to acquire all of the stock which it will issue and that he will pay par for such stock and make the payments in cash.

The Commission having considered applicant's request and being of the opinion that the money, property or labor to be procured or paid for by applicant through the issue of \$30,000.00 of seven percent cumulative preferred stock and \$30,000.00 of common stock is reasonably required by applicant and that applicant should be permitted to issue and sell such stock, subject to the provisions of this order.

IT IS HEREBY ORDERED that Davies Warehouse Company be, and it is hereby, suthorized to issue and sell for each on or before November 30, 1926, at not less than par \$30,000.00 of its seven percent cumulative preferred stock and \$30,000.00 of its common stock and use the proceeds obtained from the sale of such stock to pay the \$35,000.00 due the Hammond Lumber Company, to meet sinking fund payments that may become due and payable during 1926, and to provide itself with working capital.

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Company shall keep such record of the issue and sale 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 insofar as applicable, is made a part of this order; and that the authority herein granted shall not become effective until applicant has collected all amounts due from its stockholders, nor until applicant has filed with the Commission a statement verified by the secretary of Davies Warehouse Company showing that all of said amounts have been collected by said company.

DATED at San Francisco, California, this 19th day of February, 1926.

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Commissioners.