

LEM

Decision No. 16478-

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LAWRENCE WAREHOUSE COMPANY,) Application No. 12589
a corporation, to issue stock.)

Sanborn and Roehl and Delancey C. Smith,
by H.H. Sanborn, for applicant.

ORIGINAL

BY THE COMMISSION:

OPINION

In this proceeding Lawrence Warehouse Company asks permission to issue \$49,930.00 of its preferred stock and \$53,380.00 of its common stock.

An examination of the record in this proceeding shows that applicant has submitted a balance sheet based on a valuation, rather than on a cost basis of its properties; that it has purchased stock of other public utilities without the consent of the Commission, and that it has issued a \$100,000.00 ten year six percent note without permission from the Commission.

This Commission will not authorize the Lawrence Warehouse Company to issue any additional stock until the company has complied with the provisions of the Public Utilities Act. Moreover, we are of the opinion that applicant should submit a revised balance sheet based on the cost of its properties, and not on a valuation thereof. We do not look with favor upon the creation of a surplus by a re-valuation of assets. In the balance sheet now on file, applicant reports a surplus of

\$237,308.99, whereas our analysis indicates that applicant's earned surplus amounts only to \$43,914.18.

Unless applicant files forthwith a formal application to perform the acts, which it has done in violation of the Public Utilities Act, this Commission will be obliged to take steps to enforce the penal provisions of the Public Utilities Act.

When applicant has complied with the Public Utilities Act, the Commission will give further consideration to the request of applicant for permission to issue additional stock. In the meantime, we believe that this application should be denied without prejudice.

O R D E R

Lawrence Warehouse Company, having applied to the Railroad Commission for permission to issue stock, a public hearing having been held before Examiner Fankhauser and it appearing that the company has violated certain provisions of the Public Utilities Act, and it being the Commission's opinion that the pending application should be denied without prejudice to its renewal at such time as applicant has complied with said Act,

NOW, THEREFORE, IT IS HEREBY ORDERED that this application be, and it is hereby, denied without prejudice.

DATED at San Francisco, California, this 12th day of April, 1926.

H. B. Brundage
C. L. Lawrence
Edward DeLoach
Leon Whitely

Commissioners.