

DEM

Decision No. 17785.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
OAKLAND WAREHOUSE TERMINALS CO.,)
a corporation, for an order author-)
izing the sale and issue of stock.)

Application No. 13317

ORIGINAL

Burbank and Spence, by Honor R. Spence,
for applicant.

BY THE COMMISSION:

O P I N I O N

Oakland Warehouse Terminals Co. asks permission to issue and sell at par \$24,600.00 of its common capital stock for the purpose of obtaining funds to engage in the public utility warehouse business.

Applicant was organized under the laws of the State of California on or about August 28, 1926 with an authorized capital stock of \$100,000.00 divided into 1000 shares of the par value of \$100. each. The company was authorized by its Articles of Incorporation, among other things, to engage generally in the storage and transportation of property and to do any and all things generally done or necessary or permitted to be done by one engaged in the business of warehouseman or wharfinger or in the transportation of property or in the storage, drayage, commission or warehousing business.

It is of record that the Haslett Warehouse Company, San Francisco Warehouse Company and the Drayage Service Corporation have caused applicant corporation to be organized. It is the intention

of each of the three companies to acquire eighty shares of applicant's stock, and thus provide applicant with the necessary cash to conduct its business. The three corporations ask permission to purchase and hold such stock. They have agreed to pay par for the stock.

It is of record that the management of the three corporations believe that it will be more economical to conduct their Oakland business under applicant corporation than it would be if each were to establish a branch warehouse in Oakland. Neither Haslett Warehouse Company nor the San Francisco Warehouse Company have any warehouses in Oakland. It frequently happens that shippers of merchandise request that it be stored in Oakland rather than in San Francisco. In order to accommodate such requests the Haslett Warehouse Company and the San Francisco Warehouse Company have joined with the Drayage Service Corporation to organize the Oakland Warehouse Terminals Co.

The Oakland Warehouse Terminals Co. has entered into a tentative ten year lease with the Drayage Service Corporation under the terms of which it would lease one section of the Drayage Service Corporation building located at 15th and Peralta Streets, Oakland. It is of record that applicant will have under its control approximately 17,000 square feet of floor space and that it may be required to pay a monthly rental of two cents per square foot.

J. W. Howell, Secretary and Treasurer of Oakland Warehouse Terminals Co. who is also general manager of the Haslett Warehouse Company, testified that in his opinion the company should be provided with \$24,600.00 to pay for equipment and ^{for} necessary working capital.

ORDER

The Railroad Commission having been asked to make an order authorizing Oakland Warehouse Terminals Co. to issue \$24,600.00 of stock and further authorizing Haslett Warehouse Company and San Fran-

cisco Warehouse Company and the Drayage Service Corporation each to purchase and hold eighty shares of the capital stock of applicant, 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 by such issue is reasonably required by applicant and that the expenditures are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED as follows:-

1. Oakland Warehouse Terminals Co. may issue and sell on or before October 1, 1927 for cash, 246 shares (\$24,600. par value) of its common capital stock and use the proceeds to acquire warehouse equipment and establish and maintain its warehouse business.
2. San Francisco Warehouse Company, Haslett Warehouse Company and Drayage Service Corporation each respectively may purchase and hold not exceeding eighty shares of Oakland Warehouse Terminal Co.'s capital stock herein authorized to be issued, provided that they pay par for such stock in cash.
3. No stock certificates may be issued by Oakland Warehouse Terminals Co. until it has received the full purchase price for the stock represented by said certificates.
4. The authority herein granted will become effective upon the date hereof.
5. Oakland Warehouse Terminals Co. 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 insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 20th day of December, 1926.

H. P. Brandt
C. Leary
Ernest
Thos. D. Lewis
Commissioners.