

LEM

Decision No. 18332.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC-SOUTHWEST WAREHOUSE COMPANY,)
a corporation, for an order author-)
izing the issuance of stock by said)
corporation.)

Application No. 13715

E.E. Bennett, for applicant.

BY THE COMMISSION:

OPINION

In this application the Pacific-Southwest Warehouse Company asks permission to issue and sell at not less than \$80.00 per share net \$40,000.00 (400 shares) of its common capital stock and use the proceeds to pay off indebtedness, acquire additional warehouse facilities and provide itself with a cash revolving fund.

By Decision No. 11953 dated April 24, 1923 in Application No. 8803 (Vol. 23, Opinions and Orders of the Railroad Commission of California, page 362) the Commission authorized the Pacific-Southwest Warehouse Company to issue \$80,000.00 of stock and to assume the payment of not exceeding \$111,000.00 of indebtedness in full payment for the properties and business of Southern California Warehouse and Distributing Company and to issue and sell at not less than 90 percent of par value \$50,000.00 of stock for the purpose of paying in part the indebtedness which the company was auth-

orized to assume. It appears that pursuant to such decision the company issued the \$80,000.00 of stock to which reference has been made, and sold \$13,500.00 of stock and used the proceeds to pay indebtedness. During 1925 the holders of \$50,000.00 of stock voluntarily surrendered such stock which was returned to the company's treasury. The stock which the company now asks permission to issue is part of the stock which was returned to it. Applicant asks permission to issue the \$40,000.00 (400 shares) of stock and sell the same at a price to net it not less than \$80.00 per share.

The testimony shows that the company is in need of additional funds. It is contemplating the establishment of a warehouse in San Francisco and possibly in Fresno. The company finds it necessary to make large freight advances on which it is required to pay interest at the rate of one percent per month. It believes that if it is permitted to sell stock in order to provide itself with a revolving fund to meet such freight advances that it can effect a substantial saving in interest payments.

It is the intention of the company to use approximately \$4,000.00 of the proceeds obtained from the sale of stock to pay indebtedness and \$15,000.00 to provide itself with additional warehouse facilities. The remainder of the proceeds will be used for working capital or as a revolving fund.

ORDER

Pacific-Southwest Warehouse Company, having asked permission to issue \$40,000.00 of its common capital stock, a public hearing having been held before Examiner Fankhauser and the Railroad 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 herein authorized are not in whole or in part reasonably chargeable to operating expenses or

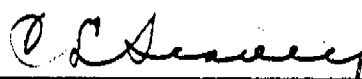
to income.

IT IS HEREBY ORDERED that the Pacific-Southwest Warehouse Company be, and it is hereby, authorized to issue and sell at not less than \$80. per share net, 400 shares (\$40,000. par value) of its common capital stock, and use the proceeds to pay indebtedness, acquire additional warehouse facilities and provide itself with working capital, or a revolving fund, provided that applicant may not expend for the purpose of selling said stock an amount in excess of twenty percent of the par value of the stock sold.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof, and that Pacific-Southwest Warehouse Company shall keep such record of the issue, sale and delivery of the stock herein authorized, 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 6th day of May, 1927.









Commissioners.