

LEB

Decision No. 19803.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
OLD PIONEER MILL WAREHOUSE COMPANY,)
a corporation, for order authorizing)
issue of stock.)

Application No. 14630

Rich & Weis, by Alvin Weis, for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Commission is asked to make an order authorizing Old Pioneer Mill Warehouse Company to issue and sell, at par, 160 shares of its capital stock of the aggregate par value of \$16,000.00, for the purpose of financing the cost of acquiring from Ennis-Brown Company certain warehouse equipment, and of providing working capital.

It appears that Ennis-Brown Company has been engaged in the bean cleaning and public warehouse business in Sacramento in premises leased from the Southern Pacific Company commonly known as the "Old Pioneer Mill Warehouse". It is reported that on March 17, 1928, it entered into an agreement to sell and transfer, for \$14,500.00, its properties and business to C. H. Straub, E. B. Marshall and A. J. Reid, who, in turn, on April 23, 1928, assigned their interests under the agreement to Old Pioneer Mill Warehouse Company, a corporation, one of the applicants herein, which they had caused to be organized. Copies of the agreement and of the assignment are filed herein as Exhibits "B" and "C" respectively.

Old Pioneer Mill Warehouse Company was organized, on or about April 9, 1928, under the laws of the State of California, with an authorized capital stock of \$25,000.00, divided into 250 shares of the par value of \$100. each, all common. In making this application to issue and sell \$16,000.00 of its capital stock it asks permission to use \$14,500.00 of the proceeds to pay for the properties to be acquired from Ennis-Brown Company, pursuant to the agreement referred to, and \$1,500.00 to provide working capital.

The properties to be acquired through the expenditure of the \$14,500.00 are described as follows;-

" That certain bean cleaning and public warehouse business now being conducted by said Ennis-Brown Company in Sacramento, California, in premises under lease from Southern Pacific Company, a corporation, commonly known as "Old Pioneer Mill Warehouse", together with all the plant and establishment of said business, including fumigating plant, also the miscellaneous machinery and equipment used and for use in connection with said business, more particularly set forth and described in the Inventory hereto attached, marked Exhibit "A" and by reference incorporated in and made a part hereof; also including the good will of said business and of said establishment and the exclusive right to the use of the name "Old Pioneer Mill Warehouse"; also including, subject to the approval of said Southern Pacific Company, the leases and leasehold estate of said Ennis-Brown Company in and to the premises wherein said establishment is located and said business conducted, as set forth in three certain leases made by Southern Pacific Company, a corporation, as Lessor; and Ennis-Brown Company, as Lessee, one of which is dated September 16, 1921, and one of which is dated January 17, 1925 and one of which is dated February 28, 1927; also including all accounts for storage and/or other services incomplete and unsettled on June 1, 1928, together with the necessary records thereof and the right to sue for, demand payment of and collect the same, or any thereof, and enforce any and all liens for the payment thereof."

The equipment is set forth more fully in Exhibit "A" and includes bean cleaners, pickers, polishers, pilers, trucks, scales and other miscellaneous equipment, furniture and fixtures and

one Dodge automobile. H. B. Marshall, vice-president of Old Pioneer Mill Warehouse Company, testified that in his opinion the physical equipment installed new would cost about \$30,000. and that at present it was reasonably worth \$14,500.00.

It is reported that arrangements have been made to lease the building in which operations are conducted from Southern Pacific Company at the same rental now being paid, namely: \$503.38 a month. The building is of brick and frame construction, 125 by 520 feet in dimension, located on the Sacramento River and with spur track connections with the Southern Pacific lines. Its capacity is reported at 200,000 bags.

O R D E R

Application having been made to the Railroad Commission, as indicated in the foregoing opinion, 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 through the issue of the stock 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 expense or to income,

IT IS HEREBY ORDERED that Ennis-Brown Company be, and it hereby is, authorized to sell and transfer to Old Pioneer Mill Warehouse Company for \$14,500.00, the properties and business referred to in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that Old Pioneer Mill Warehouse Company be, and it hereby is, authorized to issue and sell, at not less than par \$16,000.00 of its common capital stock, and to use \$14,500.00 of the proceeds to pay for the properties and

business of Ennis-Brown Company and \$1,500.00 of the proceeds to provide working capital.

The authority herein granted is subject to the following conditions;-

1. Ennis-Brown Company and Old Pioneer Mill Warehouse Company shall file with the Commission, in duplicate, supplements to the tariffs on file with the Commission in the name of Ennis-Brown Company, the former withdrawing and the latter accepting and establishing as its own such tariffs and all effective supplements thereto.
2. Old Pioneer Mill Warehouse Company shall keep such record of the issue 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.
3. The authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 23rd day of May, 1928.

Leon C. White

W. H. C. C. C.

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Commissioners.