

LEM

Decision No. 19846.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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

ORIGINAL

Application No. 14677

In the Matter of the Application of)
TARKE WAREHOUSE COMPANY,)
a corporation, to acquire capital)
stock of Old Pioneer Mill Warehouse)
Company, a corporation.)

Application No. 14724

Rich and Weis, for applicant.

BY THE COMMISSION:

O P I N I O N

In Application No. 14677 Tarke Warehouse Company asks permission to issue at par, 170 shares of its common capital stock of the aggregate par value of \$17,000.00, for the purpose of obtaining funds to liquidate indebtedness and provide for the extension of its business.

In Application No. 14724 Tarke Warehouse Company asked permission to acquire, at par, and to hold, 50 shares of the common capital stock of Old Pioneer Mill Warehouse Company of the aggregate par value of \$5,000.

It appears that Tarke Warehouse Company was organized on or about May 2, 1925 with an authorized capital stock of \$30,000.00, divided into 300 shares of the par value of \$100.00 each, all common, of which \$13,000.00 is now outstanding, having been issued pursuant to authority granted by this Commission in Decision No. 15007, dated

June 3, 1925, in Application No. 11112.

The company is engaged in the bean cleaning and public utility warehousing business at Tarke Station, Sutter County, on the lines of the Sacramento Northern Railway. The application shows that its properties consist of 1.62 acres of land, and, located thereon, a modern corrugated iron warehouse and office building, a six room frame dwelling house, garage and water tank, together with a bean cleaner, warehouse machinery and equipment, office furniture and fixtures and miscellaneous personal property. It reported, in the former application, that its properties were acquired at that time at a cost of \$23,000.00, of which it financed \$13,000.00 through the issue of the stock authorized by Decision No. 15007 and \$10,000.00 through the issue of a one year seven percent note.

Applicant now reports its actual investment in its properties up to May 1, 1928 at \$37,580.20, as shown in its Exhibit "A" attached to Application No. 14677. Its balance sheet, as of that date, is reported as follows:-

ASSETS:

Real estate and building	\$28,313.11	
Machinery and equipment	8,077.18	
Furniture and fixtures	399.91	
Automobiles	790.00	
Sub-total		\$37,580.20
Cash		81.96
Accounts receivable		1,815.76
Total assets		<u>\$39,477.92</u>

LIABILITIES:

Capital stock	\$13,000.00	
Notes payable	11,000.00	
Accounts payable	244.24	
Reserve for depreciation	4,024.50	
Surplus and undivided profits	11,209.18	
Total liabilities		<u>\$39,477.92</u>

In addition to the original indebtedness of \$10,000.00, Exhibit "A" shows that the company on May 1, 1928, was indebted to the Bank of Italy, on a short term note, in the amount of \$1,000.00, mak-

ing a total note indebtedness of \$11,000.00.

It is now proposed to issue an additional short term note to the Bank of Italy for \$4,000.00 and to use the moneys thus obtained, together with cash on hand or otherwise available, to purchase at par, \$5,000.00 of the common capital stock of Old Pioneer Mill Warehouse Company, a corporation recently organized to conduct a bean cleaning and warehousing business in Sacramento. The Old Pioneer Mill Warehouse Company was authorized by Decision No. 19803, dated May 23, 1928, to issue and sell \$16,000.00 of common stock, at par, to pay for certain bean cleaning and warehouse properties and to provide working capital.

When borrowing the additional \$5,000.00, applicant will have outstanding notes payable of \$15,000.00. The company's stockholders have agreed among themselves to advance money, from time to time, to reduce the indebtedness, provided stock be issued in reimbursement of such advances.

O R D E R

Tarke Warehouse Company having applied to the Railroad Commission for permission to issue \$17,000.00 of stock and to acquire and hold \$5,000.00 of the stock of Old Pioneer Mill Warehouse Company, and the Commission being of the opinion that these applications are matters in which public hearings are not necessary; that the requests of applicant should be granted, as herein provided; and that the money, property or labor to be procured or paid for through the issue of the \$17,000.00 of stock is reasonably required for the purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Tarke Warehouse Company be, and it hereby is, authorized to acquire, at par, and to hold \$5,000.00 par value of the common capital stock of Old Pioneer Mill Warehouse Company.

IT IS HEREBY FURTHER ORDERED that Tarke Warehouse Company be, and it hereby is, authorized to issue and sell, on or before June 30, 1930, at not less than par, \$17,000.00 of its common capital stock and to use \$15,000.00 of the proceeds to pay the \$15,000.00 indebtedness, now outstanding or to be incurred in connection with the purchase of the stock of Old Pioneer Mill Warehouse Company, or, as an alternative, to deliver, at par, \$15,000.00 of the stock herein authorized to be issued in payment of \$15,000.00 advanced, or to be advanced, by applicant's stockholders to liquidate the indebtedness of \$15,000.00, and to use the remaining proceeds of \$2,000.00 for working capital.

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

(1) Applicant 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.

(2) The authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 29th day of May, 1928.

Leon Whitall
Ch. Deane
Wm. J. ...
Thos. ...
W. J. ...
Commissioners.