

LEM

Decision No. 6944

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
SECURITY WAREHOUSE & COLD STORAGE COMPANY)
for an order authorizing said applicant) Application No. 15514
to issue its common stock in the principal)
sum of \$5,000.00.)

BY THE COMMISSION:

ORIGINAL

OPINION

Security Warehouse & Cold Storage Company asks permission to issue 50 shares of its common capital stock of the aggregate par value of \$5,000.00 for the purpose of reimbursing its treasury because of moneys expended in the construction of its plants and properties.

The application shows that Security Warehouse & Cold Storage Company is engaged in the business of operating a warehouse for the storage of merchandise and a cold storage plant for the storage of fresh fruits and vegetables in the Cities of San Jose and Santa Clara. The company was organized on or about November 8, 1919 with an authorized capital stock of 5,000 shares of the par value of \$100. each and of the aggregate par value of \$500,000.00, all common. Heretofore the Commission, by Decision No. 6944, dated December 17, 1919, as amended, authorized the company to issue and sell at par \$300,000.00 of stock to finance construction costs, and by Decision No. 12735, dated October 23, 1923, to issue and sell, at par, an additional \$40,000.00 of stock to pay indebtedness.

The time within which the company might issue and sell the stock authorized by Decision No. 6944, as amended, terminated on February 1, 1924. It seems that \$285,000.00 of stock had been issued under the authorization granted, but that following the expiration of the authorization an additional \$5,000.00 was issued. It clearly appears, however, that the issue of the \$5,000.00 of stock was through inadvertence and with no intent to evade the provisions of the Public Utilities Act or the orders of the Commission. When the company was advised that the issue of stock was made without permission from the Commission it immediately filed this application for authority to issue the \$5,000.00 of stock.

In making the application the company has filed as Exhibit "A" a copy of its balance sheet as of December 31, 1928 showing its assets and liabilities as follows;-

ASSETS:

Plant, property and equipment	\$1,003,010.07	
Other investments	5,150.00	
Current assets	148,356.75	
Deferred charges	5,305.58	
Total assets.....		<u>\$1,159,822.40</u>

LIABILITIES:

Capital stock	\$ 330,000.00	
Mortgages payable	255,000.00	
Current and accrued liabilities . .	46,811.46	
Reserves	221,082.26	
Deferred credits	103.83	
Surplus	306,824.85	
Total liabilities.		<u>\$1,159,822.40</u>

In Exhibit "B" applicant has filed an inventory of its plant, property and equipment and a statement of the original cost thereof.

The application indicates that the company has had surplus earnings in excess of the \$5,000.00 and that such earnings, in part at least, have been invested in its plant, property and equipment and we believe, therefore, that applicant should be authorized to issue the \$5,000.00 of stock requested in this proceeding. Such stock should be issued in lieu of stock of like amount heretofore issued without an order of the Commission then in effect and not in addition to such stock.

O R D E R

Security Warehouse & Cold Storage Company, having applied to the Railroad Commission for permission to issue stock, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the issue of such stock is reasonably required for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Security Warehouse & Cold Storage Company be, and it hereby is, authorized to issue at par \$5,000.00 of its common capital stock for the purpose of reimbursing its treasury because of surplus earnings used in the construction and acquisition of its plants and properties.

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

1. Applicant shall keep such record of the issue of the stock herein authorized as will enable it to file within thirty days thereafter 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 will become effective upon the date hereof.

DATED at San Francisco, California, this 16th day of April, 1929.

Thos B. Lott

C. C. Scamney

Leon Whitell

W. J. Lee

Commissioners.