

LBM

Decision No. 21653.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
ENCINAL TERMINALS,)	
a corporation. for an order authoriz-)	Application No. 15931
ing it to issue stock for properties)	
and cash.)	

McCutchen, Olney, Mannon and Greene,
by James D. Adams and George Harnagel, Jr.,
for applicant.

BY THE COMMISSION:

O P I N I O N

Encinal Terminals, a corporation, has applied to the Railroad Commission for an order authorizing it to issue 8,812 shares of its common capital stock of the aggregate par value of \$881,200.00 to pay for properties and to pay outstanding indebtedness.

The application shows that Encinal Terminals is a corporation organized during 1924 under the laws of the State of California. The corporation has an authorized capital stock of \$2,500,000.00 divided into 25,000 shares of the par value of \$100.00 each, all common. At present, three shares of the total par value of \$300.00 are outstanding.

The assets and liabilities of the company, as of June 30, 1929, are reported as follows:-

<u>ASSETS:</u>		
<u>Fixed assets:</u>		
Furniture	\$7,172.66	
Dock equipment	17,004.75	
Automobiles	500.80	
Total	<u>\$24,678.21</u>	
LESS-depreciation reserve	<u>13,063.76</u>	\$11,614.45
<u>Current assets:</u>		
Cash	\$ 9,527.92	
Accounts receivable	21,414.43	
Materials and supplies	1,740.52	
Encinal warehouse	<u>100.00</u>	32,782.87
<u>Deferred charges:</u>		
Prepayments		<u>1,627.66</u>
Total assets		<u>\$46,024.98</u>
<u>LIABILITIES</u>		
Capital stock		\$ 300.00
Accrued insurance		406.83
Accounts payable		45,000.00
Surplus		<u>318.15</u>
Total liabilities		<u>\$46,024.98</u>

The corporation is engaged in the public utility business in the State of California, to-wit; in operating as a wharfinger the wharves, transit sheds and other improvements now existing on that certain land known as Encinal Terminals in the City of Alameda. The company does not own the lands or improvements it uses, but occupies them under lease from the Alaska Packers Association. It appears that it is now proposing, however, to purchase the improvements and to cancel the existing lease and to enter into a new lease which will cover the land only. A copy of the proposed new lease is filed with the application as Exhibit one. An examination of the application indicates that the properties to be transferred include two wharves and sheds, together with water works, pipe lines, fences, fire fighting equipment and roadways. The testimony herein indicates that the total original cost of such properties was \$978,257.27 and the cost less depreciation estimated to have accrued up to January 1, 1929, \$831,240.21. A statement showing in some

detail the properties, together with the original cost, is attached to the application as Exhibit "C".

To pay for the properties, applicant proposes to issue \$831,200.00 of its capital cost. It reports that in addition to this amount, it is necessary for the best conduct of its business to issue an additional \$50,000.00 of stock at par for cash for the purpose of paying its outstanding indebtedness and of providing additional working capital. The evidence in this matter indicates that such request is not unreasonable and the order herein accordingly will permit the company to issue stock in the amounts included in this application.

ORDER

Encinal Terminals having applied to the Railroad Commission for permission to issue \$881,200.00 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 through such issue is reasonably required for the purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Encinal Terminals be, and it hereby is, authorized to issue, on or before December 31, 1929, \$881,200.00 of its common capital stock and to deliver \$831,200.00 thereof in full payment for the properties referred to in the foregoing opinion and described in Applicant's Exhibit "C", and to sell the remaining \$50,000.00 thereof for cash, at not less than par, and to use the proceeds to pay applicant's outstanding indebtedness and to provide itself with 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 4th day of October, 1929.

Thos D Loutch
Clarence
Edward G. Co.
Leon Whitehall
M. J. Carr
Commissioners.