

**ORIGINAL**

Decision No. 22636

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 MERCHANTS ICE AND COLD STORAGE COMPANY )  
 for an order authorizing issuance of ) Application No. 16645  
 stock certificates in lieu of stock )  
 certificates now held by stockholders.)

Shortridge & McInerney, by Joseph McInerney  
 and Henry C. Clausen, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

Merchants Ice and Cold Storage Company, of San Francisco, has applied to the Railroad Commission for an order authorizing it to issue shares of its common and preferred stock of the par value of \$10.00 each, in exchange for shares now outstanding of the par value of \$100.00 each, the total par value to remain unchanged.

The application shows that the company's stockholders recently have voted to amend its Articles of Incorporation in such manner so as to increase the authorized capital stock and to change the par value thereof from \$2,000,000.00 divided into 20,000 shares of the par value of \$100.00 each, consisting of 10,000 shares of seven percent cumulative preferred stock and 10,000 shares of common stock, to \$6,000,000.00 divided into 600,000 shares of the par value of \$10.00 each, consisting of 100,000 shares of seven percent cumulative preferred stock and 500,000 shares of common stock. It appears that at present there is outstanding \$378,400.00 of the preferred stock, consisting of 3,784 shares of the par value of \$100.00 each, and \$822,900.00 of the common stock, consisting of 8,229 shares of

the par value of \$100.00 each, and that it is applicant's desire to cause new shares of stock, of the same total par value but of the par value of \$10.00 a share, to be issued to the holders of such outstanding stock in exchange for their stock on the basis of ten of the new shares for each one of the old shares now outstanding, so as to bring the outstanding shares of stock in conformity with the Articles of Incorporation as recently amended. Following this exchange, the certificates representing the old shares of stock will be cancelled.

Applicant is engaged in both public utility and non-public utility business. During 1929 its operating revenue from its storage business is reported at \$339,661.03 and from its ice and other business at \$106,219.08. In addition it reports interest and dividend revenues of \$19,012.81.

The record shows that applicant contemplates the payment of some of its indebtedness through the issue of stock. This application, however, does not involve the issue of any stock for such purpose. Applicant's officers believe that reducing the par value of the shares of its stock will enable them to sell the stock more readily when it is concluded to issue additional stock.

A public hearing in this matter was held before Examiner Fankhauser. Consideration of the application and of the oral testimony in support thereof indicates that the proposed transaction is not contrary to the public interest and we are of the opinion that the matter should be granted, and that the money, property or labor to be procured or paid for through the proposed stock issue 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, therefore,

IT IS HEREBY ORDERED that Merchants Ice and Cold

Storage Company be, and it hereby is, authorized to issue \$878,400.00 of its preferred stock consisting of 87,840 shares of the par value of \$10.00 each, in exchange for the \$878,400.00 of preferred stock now outstanding, consisting of 8,784 shares of the par value of \$100.00 each, said exchange to be effected upon the basis of ten shares of said stock of the par value of \$10.00 each for each share of stock now outstanding of the par value of \$100.00.

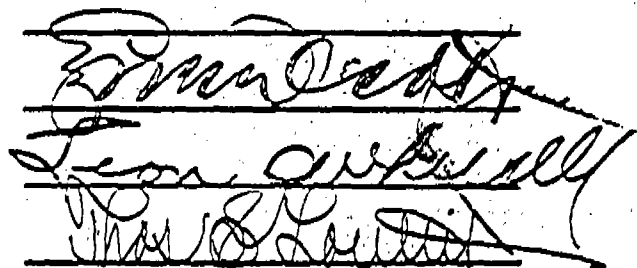
IT IS HEREBY FURTHER ORDERED that Merchants Ice and Cold Storage Company be, and it hereby is, authorized to issue \$822,900.00 of its common stock, consisting of 82,290 shares of the par value of \$10.00 each, in exchange for the \$822,900.00 of common stock now outstanding, consisting of 8,229 shares of the par value of \$100.00 each, said exchange to be effected upon the basis of ten shares of said stock of the par value of \$10.00 each for each share of stock now outstanding of the par value of \$100.00.

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 reports 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 7<sup>th</sup> day of July, 1930.



Commissioners.