

LEM

Decision No. 24009.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
FARMERS ALLIANCE BUSINESS ASSOCIATION)
for order authorizing issue of stock.)

Application No. 17633

ORIGINAL

Knute B. Nelson, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

Farmers Alliance Business Association, a corporation, has applied to the Railroad Commission for permission to issue and sell at par, 164 shares of its common stock, of the aggregate par value of \$1,640.00, for the purpose of paying for poultry and dairy feeds and supplies.

It appears that Farmers Alliance Business Association is engaged, at Paso Robles, in the operation of a public utility grain warehouse and in the manufacture and sale of poultry and dairy feeds and supplies. Its annual reports to the Commission indicate that its public utility business constitutes but a small portion of its total operations, its 1930 statement, for example, showing gross revenue from storage and weighing, at \$7,101.65 and gross revenues from sales of merchandise and other sources, at \$124,817.53.

The assets and liabilities of the company as of July 31, 1931 are reported as follows:-

<u>A S S E T S</u>		
Fixed capital		\$27,935.18
Current assets:		
Cash	\$ 100.00	
Notes and accounts receivable	14,455.62	
Feed and grain inventories	<u>17,096.36</u>	31,651.98
Prepayments		298.02
	Total assets.....	<u>\$59,885.18</u>
<u>L I A B I L I T I E S</u>		
Capital stock		\$18,360.00
Current liabilities:		
Bank overdraft	\$ 1,214.36	
Accounts payable	<u>252.18</u>	1,466.54
Reserves		16,451.82
Surplus		23,606.82
	Total liabilities.....	<u>\$59,885.18</u>

The company has an authorized capital stock of \$20,000.00 divided into 2000 shares of the par value of \$10.00 each, all common. It proposes to sell its remaining authorized but unissued stock, amounting to \$1,640.00, at par, to pay for materials and supplies in connection with its nonutility business and operations.

It appears to us that the company's property and business are ample to support the additional stock issue. We believe that this is not a matter in which a public hearing is necessary. In our opinion, the money, property or labor to be procured or paid for through the issue of the \$1,640.00 of stock is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to public utility investment, operating expense or to income, therefore,

IT IS HEREBY ORDERED, that Farmers Alliance Business Association be, and it hereby is, authorized to issue and sell on or before June 30, 1932 at not less than par, 164 shares of its common

capital stock of the par value of \$10.00 a share and of the aggregate par value of \$1,640.00, for the purpose of paying for poultry and dairy feeds and supplies in connection with its nonpublic utility operations referred to in this Opinion and Order.

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

1. Applicant 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.
2. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 8th day of September, 1931.

W. C. Leary

W. J. Con

W. B. Harris

Frederic G. Stewart

Commissioners.