

LEM

Decision No. 24032.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
IRVINE WAREHOUSE COMPANY, LTD., )  
for an order authorizing the issuance ) Application No. 17597  
of stock. )

Scarborough & Bowen, by J. G. Scarborough,  
for applicant.

BY THE COMMISSION:

O P I N I O N

Irvine Warehouse Company, Ltd., a California corporation, asks permission to issue \$12,500.00 par value of its common capital stock for the purpose of establishing its warehouse business.

The company was organized on or about July 20, 1931, with an authorized stock issue of \$25,000.00 divided into 250 shares of \$100.00 each. None of the stock has been issued. Applicant, however, is at this time engaged in the business of storing, warehousing, cleaning, processing, weighing and shipping grain, beans, merchandise and other agricultural products and food commodities at Irvine, Orange County, California. Such business is, and will be, according to the record, confined largely to such handling of the agricultural products grown and stored by The Irvine Company and its tenants on the Irvine Ranch in Orange County and by other farmers in that locality.

Applicant's business is being conducted in two galvanized iron warehouse buildings of the dimensions of 40 x 450 feet and 40 x 400 feet respectively, connected with a 100 foot platform, together with a boiler house and other appurtenances, all situated at Irvine, California. These properties are owned by The Irvine Company. Applicant has leased the buildings for a period of ten years at a monthly rental of \$500.00. A copy of the lease is filed in this proceeding. The lease provides that in the event the lease is terminated the lessee shall at its own expense, upon vacating the premises, remove therefrom all merchandise and commodities stored therein, and all rubbish, and in default thereof the lessor may do so, whereupon the lessee agrees to pay the lessor upon demand, the reasonable expense of such work. It is of record that the lessor has no objection to modifying this provision of the lease so that in the event the lease is terminated, the commodities in storage at the time of the termination of the lease, may remain in storage for a reasonable time for the account of the lessor. The purpose of this modification is to give the owners of the goods an opportunity to make other arrangements for their storage. The warehouses in question have for a number of years past been operated by Harry Spencer under the fictitious name of San Joaquin Warehouse Co. For 1930 he reported operating revenue of \$76,699.76; for 1929, \$71,319.77; and for 1928, \$86,334.10.

The testimony of James Irvine, Jr., shows that he has advanced to applicant \$5,000.00 which is represented by a six percent 90-day note. He has agreed to accept at par \$5,000.00 of applicant's stock in payment of such note, and has further agreed to purchase \$7,300.00 of additional stock in the event applicant has need for the proceeds from the sale of such stock. In addition, applicant asks permission to issue one share of its stock to W.B.

Hellis and one share to C. J. Cogan. The proceeds which applicant will obtain from the issue of the stock will be used to acquire warehouse equipment and supplies and for warehouse working capital. While applicant estimates that it may have need for \$12,500.00, the record shows that only such amount of stock as may be necessary will actually be issued by applicant. Applicant has purchased at a cost of \$1,889.76 warehouse materials and supplies from San Joaquin Warehouse Co. A description of these materials and supplies is contained in Exhibit C-2.

O R D E R

Irvine Warehouse Company, Ltd. having asked permission to issue \$12,500.00 of stock, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required for the purpose herein stated and that the expenditure for such purpose is not in whole or in part reasonably chargeable to operating expenses or to income and that this application should be granted, therefore,

IT IS HEREBY ORDERED, that Irvine Warehouse Company, Ltd. may, on or before June 30, 1932, issue and sell at not less than par, \$12,500.00 par value of its common capital stock and use the proceeds to pay the \$5,000.00 note issued to James Irvine, Jr. and for working capital necessary to establish its warehouse business.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted will become effective upon the date hereof, and that ap-

plicant shall file with the Commission monthly reports, as required by the Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 14<sup>th</sup> day of September, 1931.

C. C. Seaver  
Leon Whidely  
W. A. Lee  
W. B. Harris  
Fred G. Alexander

Commissioners.