

Decision No.

ORIGINAL

Decision No. 12138

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of)
Long Beach Milling Company to lease)
the storage privileges of its ware-)
house to Seafoam Warehouse Company,)
and for an order authorizing the)
latter to issue capital stock.)

Application No. 1018.

Hahn & Hahn and A. D. Buckley for applicants

Louis N. Whealton, Mayor, and Geo. F. Kapp,
City Attorney, for the City of Long Beach.

EDGERTON, Commissioner.

O P I N I O N

This is an application by Long Beach Milling Company for an order authorizing it to lease the privilege of storing in its warehouse grain, grain products, grain bags, baled hay and other merchandise offered for storage, to the Seafoam Warehouse Company.

Included in this application there is the request of Seafoam Warehouse Company to issue \$10,000 par value of its capital stock.

The Long Beach Milling Company is engaged in the business of milling flour and feed and dealing in grain. As an incident to its other business, it on occasion stores merchandise owned by others and this latter business brings it within the provisions of the Public Utilities Act.

The purpose of this application is to separate its public utility warehouse business from its other business and to that end it is proposed by the milling company to lease to the Seafoam Warehouse Company, a corporation organized by it

for this purpose, such space in its warehouse as may be available after its own business is taken care of.

Representatives of applicant at the hearing stated that only a nominal number of shares of stock of the Seafoam Warehouse Company need be issued to the Long Beach Milling Company for the execution of this lease and the turning over of the warehouse business, but in addition it was desired that the Seafoam Warehouse Company be authorized to issue its total capital stock of \$10,000 at par for the purpose of obtaining money to carry on the business of the warehouse company.

As has heretofore been announced by the Commission it is desirable that the warehouse business be separated as far as possible from other business so as to obviate the necessity of bringing within the jurisdiction of the Commission a large amount of transactions over which it would have no control were it not for the inclusion in its affairs of a comparatively small public utility business.

It is not the purpose to sell any of the stock of the Seafoam Warehouse Company to the public, but the Long Beach Milling Company or its stockholders, will purchase all of the stock which the warehouse company may sell.

The City of Long Beach appeared, through its Mayor and other officials, and objected to the issuance of an order in this application if such order would in any wise prevent or interfere with any attempt now being made, or which may hereafter be made by said City, to force the removal of the business of applicant from its present location.

I recommend that the application be granted under the conditions hereinafter set out, and submit herewith the following form of order:

O R D E R

Application having been made to the Railroad Commission of the State of California by Long Beach Milling Company for an

order authorizing it to lease to Seafoam Warehouse Company the privilege of storing in its warehouse grain, grain products, grain bags, baled hay and other merchandise offered for storage, and for an order authorizing Seafoam Warehouse Company to issue \$10,000 par value of its capital stock, and a hearing having been duly held,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Long Beach Milling Company is hereby authorized to lease to Seafoam Warehouse Company the privilege of storing in its warehouse such grain, grain products, grain bags, baled hay and other merchandise offered for storage, and for which there may be available space after said Long Beach Milling Company has provided for its own goods.

Seafoam Warehouse Company is hereby authorized to issue \$10,000 par value of its capital stock, said stock to be issued under the following conditions, not otherwise:

Three shares thereof shall be issued in exchange for the lease to be executed to Seafoam Warehouse Company by Long Beach Milling Company, and the remainder of ~~99~~97 shares of said stock shall be sold to net Seafoam Warehouse Company not less than par. *P.O. 2*

Provided, that before the issuance of three shares of stock in exchange for the aforesaid lease, said proposed lease shall be submitted to the Commission for its approval, and before the issuance of any of the ~~99~~97 shares of capital stock Seafoam Warehouse Company shall submit to the Commission for its approval, a statement setting out specifically the purposes for which the proceeds from the sale of said stock then proposed to be issued and sold are to be used. *P.O. 2*

This order is made upon the condition that it shall in no wise affect the City of Long Beach, or the citizens thereof, in any attempt that is now being made, or that may hereafter be made, to change the location of the business now being conducted, or which may

hereafter be conducted by either of the applicants herein.

Seafoam Warehouse Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the stock hereby authorized to be issued, and on or before the 25th day of each month the company shall make a verified report to the Commission stating the sale or sales of said stock during the preceding month, the terms and condition of such sale, the moneys realized therefrom and the use and application of such moneys, all in accordance with this Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

The authority hereby given to issue such stock shall apply only to stock issued by Seafoam Warehouse Company on or before the 15th day of April, 1915.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 15th day of April, 1914.

H. A. Loveland
W. G. Gordon
Edwin O. Edgerton

Commissioners.