

ORIGINAL

Decision No. 2535

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the matter of the Application of
 SACRAMENTO WAREHOUSE COMPANY
 for an order authorizing the issue
 of stock of the par value of
 \$200,000.

Application No. 502.

Frank J. O'Brien for applicant.

TEELER, Commissioner.

SECOND SUPPLEMENTAL OPINION.

In Decision No. 808, dated July 25, 1913, this Commission authorized SACRAMENTO WAREHOUSE COMPANY to issue \$170,550 par value of its common capital stock. The order permitted the company to sell \$1,330 par value of stock at not less than 90 and to use the proceeds derived from the sale of such stock to pay organization expenses. On May 2, 1914, this Commission issued a supplemental order authorizing applicant to expend for organization purposes, \$4,443.53.

Since the issuing of the supplemental order, applicant has encountered difficulties in collecting amounts due on stock subscriptions. In several instances suit had to be brought against the stock subscriber with the result that the attorney's fees have absorbed the greater part of the allowance for organization expenses. Applicant's construction work has also been delayed because of its inability to sell its stock, due to the general financial depression throughout the country. Applicant, however, has been able to negotiate a loan of \$50,000 from the Sacramento Bank and thus has continued

its construction work.

Because of the unavoidable delay in the construction of applicant's building and the necessity of bringing suit to recover stock subscriptions, applicant has found the former allowance by this Commission for organization expenses inadequate. It now asks for a supplemental order allowing it to expend, in addition to the allowance heretofore sanctioned by this Commission, the sum of \$3,156.60. The additional amount is to be expended for the following purposes:

Sacramento Bank executing deed of trust,	\$ 206.60
General Manager's salary, October 15, 1914 to July 15, 1915, (construction account) .	2,000.00
Stationary,	300.00
Attorney's fees,	410.00
Equipment for warehouse,	<u>240.00</u>
Total,	\$3,156.60

Applicant also requests the former order of this Commission to be extended to January 1, 1916.

I am of the opinion that applicant's request should be granted and herewith submit the following form of Order:

SECOND SUPPLEMENTAL ORDER.

Section 1 (b) of this Commission's order of July 23, 1913, in the above entitled matter is hereby amended so as to read as follows:

"SACRAMENTO WAREHOUSE COMPANY may issue and sell its common capital stock of the par value of not to exceed \$138,890 so as to net said company not less than 90 per cent. in cash of the par value thereof, and may apply the proceeds only for the purpose of constructing and completing its proposed six-story and basement steel frame concrete warehouse building, to be erected on

"said Lot No. 2 in the block bounded by R. S. Eleventh and Twelfth Streets, in the City of Sacramento, and also for the payment of the necessary organization and office expenses, said organization and office expenses not to exceed the sum of \$7,600.13."

Section 4 of said order of July 23, 1913, is hereby amended to read as follows:

"4. This order shall apply only to capital stock issued on or before the first day of January, 1916."

In all other respects said order of July 23, 1913, shall remain in full force and effect.

The foregoing Second Supplemental Opinion and Order are hereby approved and ordered filed as the Second Supplemental Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 28th day of June, 1915.

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Edwin O. Edgerton

Commissioners.