

MM

Decision No. 4

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

~~ORIGINAL~~

Decision No. 3083

In the Matter of the Application )  
of GOLETA FARMERS (Incorporated) )  
for an order authorizing the issue )  
and sale of stock. )

Application No. 2061

E. W. Stow, for applicant.

DEVLIN, Commissioner.

O P I N I O N

This is an application of Goleta Farmers (Incorporated) of Goleta, Santa Barbara County, for authority to issue and sell 1,490 shares of stock of the par value of \$10.00 per share for the purpose of paying a note and providing funds for additions and betterments. Applicant proposes to sell this stock at par.

Applicant was incorporated on August 3, 1914 and is the successor of an un-incorporated association formed on August 14, 1913, to construct and operate a bean warehouse in Goleta.

At the time that applicant took over the business of the association, notes totaling \$10,900.00 were outstanding. The proceeds from these notes had been used for the purchase of real estate and the construction of a warehouse thereon. On December 13, 1914, these notes were refunded by a new note of \$10,900.00 payable

to Santa Barbara National Bank, twelve months after date, bearing interest at 6% per annum.

Applicant's total authorized capital stock is \$15,000. being 1,500 shares of the par value of \$10.00 per share.

At the time of incorporation, nine shares of stock were issued in order to qualify the nine directors of the corporation. Subsequently an additional share of stock was sold and issued to E. W. Stow in order that he might qualify as a director in place of S. H. Stow, deceased. These shares were issued without authority from this Commission. They were all sold at par and the proceeds were used for the acquisition of warehouse facilities.

Out of the proceeds from the sale of 1,490 shares of stock, applicant desires to retire the note payable to Santa Barbara National Bank in the sum of \$10,900. and to use the balance for the purpose of providing funds for additions and betterments to its warehouse, including stacking machinery, electric motors and sundry other equipment.

Applicant states that it has already received applications from farmers for approximately 1,000 shares of stock. Applicant estimates the present value of the property as follows:-

Real Estate, . . . . .	\$1,125.
Buildings, . . . . .	6,000.
Equipment, . . . . .	<u>2,000.</u>
Total, . . . . .	\$9,125.

In addition the Company has a one-half interest in a spur track which it values at \$797.88.

After consideration of the evidence submitted by applicant, I am of the opinion that this application should be granted. I shall also recommend that applicant be permitted to issue 10 shares of stock in lieu of the 10 shares originally issued for qualification of directors without consent of this Commission.

I recommend the following order:

O R D E R

GOLETA FARMERS (Incorporated) having applied to this Commission for authority to issue and sell stock as hereinbefore set forth and a public hearing having been held and it appearing to this Commission that applicant's request is reasonable and should be granted and that the purposes for which it is proposed to issue said stock are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Goleta Farmers (Incorporated) be and it is hereby authorized to issue 1,500 shares of stock at not less than the par value of \$10.00 per share, for the following purposes:-

10 shares in lieu of 10 shares heretofore issued at par to applicant's directors.

1,090 shares to provide funds for the retiring of a note in the sum of \$10,900. payable to Santa Barbara National Bank.

400 shares to provide funds for additions and betterments to applicant's warehouse  
\_\_\_\_\_ properties.

1,500 Total shares.

Goleta Farmers (Incorporated) shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the stock herein authorized to be issued; and on or before the twenty fifth day of each month the Company shall make verified reports to the Commission stating the sale or sales of said stock during the preceding month, the terms and conditions of the 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 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 7<sup>th</sup>  
day of February, 1916.

Arthur B. Overland  
Alfred Gordon  
Edwin L. Edgerton  
Frank R. DeWitt

Commissioners.