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Decision No. \_\_\_\_\_

ORIGINAL

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA  
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Decision No. 18892

|                                   |   |                       |
|-----------------------------------|---|-----------------------|
| In the Matter of the Application  | ) |                       |
| of SATICOY WAREHOUSE COMPANY, a   | ) |                       |
| corporation, for permission to    | ) | Application No. 3243. |
| sell and issue not to exceed      | ) |                       |
| \$25,000.00 of its capital stock. | ) |                       |

George E. Farrand, for applicant.

BY THE COMMISSION.

O P I N I O N

This is an application of Saticoy Warehouse Company for authority to issue and sell \$25,000.00 par value of capital stock for the purpose of constructing and equipping a warehouse at Saticoy, Ventura County. Applicant also asks the Commission to make its order, if such order is necessary, declaring that public convenience and necessity require applicant to operate its warehouse.

Under the terms of the Public Utilities Act, warehouse companies may begin operation without an order from the Commission.

Applicant was incorporated August 30, 1917, under the laws of the State of California for the purpose of engaging in a general public utility warehouse business. It has a total authorized capital stock issue of \$30,000.00 divided into 600 shares of the par value of \$50.00 per share. None of the stock except shares necessary to qualify directors has been issued. Applicant now desires to sell 500 shares of stock at par and to use the proceeds in paying for its warehouse building, equipment, etc.

At the request of the Commission Saticoy Warehouse Company has filed a detailed statement of its capital expenditures to November 1, 1917. This statement may be summarized as follows:-

|                                     |               |
|-------------------------------------|---------------|
| Real Estate . . . . .               | \$ 1,500.00   |
| Warehouse Building and Equipment. . | 18,268.96     |
| Spur track . . . . .                | 1,746.50      |
| Organization and legal expenses . . | <u>309.45</u> |
| Total to November 1, 1917 . . . . . | \$21,824.91   |

The promoters of Saticoy Warehouse Company are lima bean growers, and it is their purpose to offer stock for sale to other farmers on the basis of one share of stock for each two hundred 80 pound bag of beans produced. At the hearing it was stated that subscriptions have been received for between eighteen and nineteen thousand dollars par value of stock.

At the present time Southern Pacific Milling Company maintains a public utility warehouse in the town of Saticoy. Applicant alleges however, that there is a demand for additional warehouse facilities and that the operation of an additional warehouse will be of great benefit to the bean growers of this vicinity.

Saticoy Warehouse Company proposes to charge the same rates as Southern Pacific Milling Company. No data was submitted by the company to show what its future earnings will be under these rates. It was stated, however, that the primary object of the company will be the rendering of efficient service rather than the securing of a return upon the invested capital.

O R D E R

SATICOY WAREHOUSE COMPANY having applied to this Commission for authority to issue and sell 500 shares of stock of the par value of \$50.00 per share 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 money, property or labor to be procured or paid for by such issue is reasonably required for the purposes set forth in the order herein which purposes are not reasonably chargeable in whole or in part to operating expenses or to income;

IT IS HEREBY ORDERED that Saticoy Warehouse Company be and it is hereby authorized to issue and sell 500 shares of its capital stock of the par value of \$50.00 per share, upon the following conditions and not otherwise:-

1.- The stock herein authorized to be issued shall be sold so as to net applicant not less than its full par value of \$50.00 per share.

2.- The proceeds from the sale of 437 shares of stock, or so much thereof as may be necessary, shall be used by applicant solely for the purpose of acquiring property, construct its warehouse and pay organization and legal expenses as the same are set forth in a statement filed by applicant in this proceeding on November 12, 1917.

The proceeds from the sale of the remaining 63 shares of stock shall be used by applicant only for such capital expenditures as may hereafter be approved by this Commission in a supplemental order.

3.- Saticoy 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 herein authorized to be issued; and on or before the

twenty-fifth day of each month the company shall make verified reports to the Railroad 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.

4.-The authority herein granted shall apply only to such stock as shall have been issued on or before July 31, 1918.

- Dated at San Francisco, California, this 27<sup>th</sup> day of November, 1917.

Max Thelen  
H. D. Loveland

Edwin O. Edgerton

Commissioners.