

ES

ORIGINAL

Decision No. 5271

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

* * *

In the Matter of the Application of)	
SOUTHWESTERN WHARF COMPANY)	
for an order authorizing the issue of)	<u>Application Number 3635.</u>
stock.)	

Benjamin E. Page for applicant.

EDGERTON, Commissioner.

O P I N I O N .

SOUTHWESTERN WHARF COMPANY asks authority to issue 1500 shares of common stock of the par value of \$100.00 each. Of the stock, applicant intends to issue 1,493 shares to acquire the properties described in an exhibit attached to the petition herein. The remaining 7 shares it proposes to sell at par and use the proceeds to pay in part for the execution and delivery of the deed to said properties.

Southwestern Ship Building Company owns and controls through lease some 76 acres of water front property adjacent to Los Angeles harbor. Of this about 5 acres have been improved for wharf and warehouse purposes. The remainder of the property it is intended to use for ship-building purposes. This application has been filed with a view of segregating the wharf and warehouse business coming under the jurisdiction of the Railroad Commission from the non-public utility business.

The public utility property and business involved in this application was formerly owned and conducted by the Pacific Wharf and Storage Company. The properties which applicant intends

to acquire consist of 5 acres of land under a lease having a remaining life of 38 years. The lease-hold interests in these properties applicant estimates at an approximate value of \$100,000.00. The value of the improvements on the 5 acres of land applicant reports in Exhibit "A" attached to the petition herein as follows:

Wharf Structures,	\$72,835.86
Warehouse Building,	19,219.65
Railroad Tracks,	12,500.00
Small Buildings,	1,574.87
Bulkhead in rear of wharf,	<u>4,500.00</u>
Total,	\$110,680.38

The testimony shows that the properties to be acquired by applicant herein yielded a net profit of \$20,000.00 in 1915. During January and February of the current year, applicant reports a net profit of about \$750.00 per month, which would be at the rate of about \$9,000.00 per annum. The decrease in earnings is attributed to the withdrawal of ships from Pacific Coastwise trade by the Federal government for war purposes.

Benjamin E. Page, counsel for applicant, stated at the hearing that none of the stock authorized to be issued to acquire properties will be sold to the public. All of the stock will be issued to and held by the Southwestern Ship Building Company.

The Commission has made no appraisal of the properties referred to in this application, but I do not think an appraisal of the properties necessary for the purpose of this proceeding.

I believe that in authorizing the issue of stock to acquire this property, the Commission should consider the present earnings, rather than the problematical earnings after the war. Applicant stated that an issue of \$150,000.00 of stock was not essential and I recommend that \$100,000.00 par value of stock be authorized.

O R D E R

SOUTHWESTERN WHARF COMPANY having applied to the Railroad Commission for authority to issue 1,500 shares of its common stock, a hearing having been held and the Commission being of the opinion that the money or property to be procured or paid for by such issue ^{of stock as herein authorized} is reasonably required for the purpose or purposes specified in the order,

IT IS HEREBY ORDERED that SOUTHWESTERN WHARF COMPANY be, and it is hereby, granted authority to issue at not less than the par value thereof 1000 shares of its common stock of the par value of \$100.00 per share, upon the following conditions:-

1.-Of the stock herein authorized to be issued, 993 shares, or such an amount thereof as may be necessary, may be issued by applicant for the purpose of acquiring, free of encumbrance except taxes, the properties fully described in a copy of the deed attached to the petition herein.

- (2).- The proceeds from 7 shares of stock herein authorized to be issued, shall be used by applicant to pay in whole or in part for the expenses incident to the execution and delivery of the deed to the properties referred to in the exhibit attached to the petition herein.
- (3).- Within thirty days after the purchase of the properties referred to in Condition Number One of this order, applicant shall file with the Railroad Commission a verified copy of its deed to said properties.
- (4).- Southwestern Wharf Company shall file with the Railroad Commission a report or reports as required by the Commission in its General Order Number 24, which order, in so far as applicable, is made a part of this order.
- (5).- The ^{authority} ~~power~~ herein granted to issue stock shall apply only to such stock as may be issued on or before June 1, 1918.

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 2d day of April, 1918.

Max Shellen
J. D. Lovell and
Alfred Gordon
Edwin C. Edgerton
Frank P. Dyer
 Commissioners.