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Decision No. _____

CONFIDENTIAL

Decision No. 5568

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ASSOCIATED TERMINALS COMPANY, a)
corporation, and CHINA BASIN WAREHOUSE)
COMPANY, a corporation, for permission)
to acquire the business, franchise, etc.)
of CHINA BASIN WAREHOUSE COMPANY, and)
for the issuance of the stock of ASSO-)
CIATED TERMINALS COMPANY to CHINA BASIN)
WAREHOUSE COMPANY, and the application)
of ASSOCIATED TERMINALS COMPANY and)
HARBOR WAREHOUSE COMPANY to rent cer-)
tain properties of HARBOR WAREHOUSE)
COMPANY.)

Application
No. 3816.

Nathan H. Frank and Irving H. Frank,
by Irving H. Frank, for applicants.

BY THE COMMISSION.

O P I N I O N

In this application, Associated Terminals Company asks authority to issue \$159,500.00 of common capital stock to acquire the properties of China Basin Warehouse Company and to lease certain properties of the Harbor Warehouse Company. Both the China Basin Warehouse Company and the Harbor Warehouse Company join in the application.

A hearing was held thereon in San Francisco on June 28, 1918 before Examiner Westover.

China Basin Warehouse Company was organized under the name of the Barneson-Hibberd Warehouse Company in 1906. On September 5, 1916, its name was changed by order of court to China

Basin Warehouse Company. The company has an authorized capital stock of \$250,000.00, divided into 2,500 shares of the par value of \$100.00 per share. Of this stock \$159,500.00, par value, has been issued and is now outstanding.

In Exhibit "B" attached to the petition herein applicant reports the earnings of the China Basin Warehouse Company for the twelve months ended December 31, 1917 and the four months ended April 30, 1918, as follows:

<u>I t e m</u>	<u>4 Months Ended Apr. 30, 1918</u>	<u>12 Months Ended Dec. 31, 1917</u>
<u>Revenues:</u>		
Warehouses-Storage, Weighers, etc.	\$ 52,052.67	\$118,510.20
Warehouses-Cleaners	4,556.48	7,343.31
Wharves	53,508.50	133,421.08
Total	<u>\$110,116.65</u>	<u>\$259,274.59</u>
<u>Expenses:</u>		
Warehouses-Storage, Weighers, etc.	\$ 36,104.42	97,313.40
Warehouses-Cleaners	3,156.52	7,915.72
Wharves	43,148.15	110,879.39
Total	<u>82,409.09</u>	<u>216,108.51</u>
Net Income from Operations	27,707.56	43,166.08
<u>Other Income:</u>		
Sale of Empty Cans	-	1,120.73
Miscellaneous	215.29	13.77
Total	<u>215.29</u>	<u>1,134.50</u>
Gross Income	27,922.85	44,300.58
<u>Deductions:</u>		
Commission - Barneson-Hibberd Co	4,069.99	6,154.13
Reserve for taxes	-	4,328.32
Reserve for depreciation	3,440.00	9,795.00
Miscellaneous	613.28	364.02
Total	<u>8,123.27</u>	<u>20,641.47</u>
Net Income for the period	19,799.58	23,659.11
<u>Profit and Loss Charges:</u>		
Deficit at beginning of period	6,575.97	15,275.08
Dividends	6,380.00	12,760.00
Reserve for uncollectible accounts	-	2,200.00
Total	<u>12,955.97</u>	<u>30,235.08</u>
Surplus end of period	6,843.61	6,575.97*

* Deficit.

In Exhibit "A" attached to the petition herein
 China Basin Warehouse Company reports its assets and liabilities
 as of April 30, 1918 as follows:

ASSETS:

Plant Property and Equipment:

Buildings and Yards	\$126,086.63
Equipment	53,534.79
Automobiles	3,338.46
Total Plant, Property and Equipment	<u>\$182,959.88</u>
Investment - U. S. Liberty Bonds	<u>3,500.00</u>
<u>Current Assets:</u>	
Cash	4,247.38
Accounts Receivable	52,687.11
Advances on Unclaimed Freight	1,736.72
Total Current Assets	<u>58,671.21</u>
Unpaid Stock Subscriptions	<u>9,930.00</u>
<u>Deferred Charges:</u>	
Insurance Premiums-Unexpired.	1,559.14
Expenses Applicable to Future Period.	4,409.65
Total Deferred Charges	<u>5,968.79</u>
Total Assets	<u>\$261,029.88</u>

LIABILITIES:

Capital Stock:

Authorized, 2,500 shares of \$100.00	\$ 250,000.00
Unissued - 905 shares of \$100.00.	90,500.00
Outstanding	<u>159,500.00</u>

Current Liabilities:

Notes Payable	—
Accounts Payable.	25,703.59
Barneson-Hibberd Company Commission.	1,033.60
Total Current Liabilities.	<u>26,737.19</u>
Taxes Accrued - Not Due	<u>4,301.80</u>

Reserves:

Depreciation.	61,447.28
Uncollectible Accounts.	<u>2,200.00</u>
Total Reserves	<u>63,647.28</u>
Surplus	<u>6,843.61</u>
Total Liabilities	<u>\$ 261,029.88</u>

The sum of \$9,930.00, shown above, due on stock sub-
 scriptions, is said to represent the balance due on stock issued
 in 1908 to John Barneson, Trustee. H. S. Scott, secretary of

China Basin Warehouse Company, reports that John Barneson will at once pay into the treasury of the company, the balance due on the stock. The order herein will provide that the \$9,930.00 shall be expended only for such purposes as are hereafter authorized by the Commission.

Associated Terminals Company has an authorized capital stock of \$250,000.00, divided into 2,500 shares of the par value of \$100.00 each, of which it wishes to now issue \$159,500.00 par value to acquire the properties of the China Basin Warehouse Company. It agrees to assume all of the debts, obligations, contracts and liabilities of the China Basin Warehouse Company and to hold China Basin Warehouse Company harmless from any claim or liability whatsoever connected with or arising out of such debts, obligations, contracts or liabilities. Upon receipt of the \$159,500.00 of stock in exchange for its properties the China Basin Warehouse Company will distribute the stock to its stockholders, share for share, in exchange for their present stock. The transfer of these properties will not change the control of the properties. The chief purpose of the transfer, according to the testimony, is to affect a change in the name of the corporation under which the properties are being operated.

China Basin Warehouse Company asks authority to sell its properties to the Associated Terminals Company, while the Harbor Warehouse Company asks permission to lease its warehouses Numbers 1 and 2 to the Associated Terminals Company. Warehouse corporations may sell or lease their properties without an order from the Railroad Commission. Therefore, that portion of the application relating to the sale and lease of properties may be dismissed.

O R D E R

ASSOCIATED TERMINALS COMPANY having applied to the Railroad Commission for authority to issue \$159,500.00 of its common capital stock, as indicated in the foregoing Opinion, a public hearing having been held, and it appearing to the Railroad Commission that

the money, property or labor to be procured or paid for by such issue is reasonably required for the purposes specified in the Order and that the expenditures for such purposes are not reasonably chargeable in whole or in part to operating expenses or to income;

IT IS HEREBY ORDERED that Associated Terminals Company be, and it is hereby, granted authority to issue \$159,500.00 of its common capital stock to acquire the properties of the China Basin Warehouse Company, including \$9,930.00 cash paid in on account of stock subscriptions, upon the following conditions:

1.-Associated Terminals Company shall assume all of the debts, obligations, contracts and liabilities of the China Basin Warehouse Company and shall hold said China Basin Warehouse Company harmless from any claim or liability whatsoever connected with or arising out of said debts, obligations, contracts or liabilities.

2.-The \$9,930.00 paid into the treasury of the China Basin Warehouse Company, referred to in the Opinion, shall be expended only for such purposes as are hereafter authorized by the Railroad Commission.

3.-The price at which Associated Terminals Company is herein authorized to purchase the properties of the China Basin Warehouse Company shall not be considered before this Commission, or any other public body, as a measure of value of said properties for rate fixing or any purpose other than the transfer of the properties under the facts and circumstances set forth in the testimony in this proceeding.

4.-Within thirty days after the issue of the stock herein authorized Associated Terminals Company shall file with the Railroad Commission a certified copy of the deed of conveyance.

5.-Associated Terminals Company shall keep separate, true and accurate accounts showing the receipt and application

in detail of the proceeds from 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, in accordance with the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this Order.

6.-The authority herein granted to issue stock shall apply only to such stock as may be issued on or before November 1, 1918.

IT IS HEREBY FURTHER ORDERED that that portion of the application relating to the sale of the properties of China Basin Warehouse Company and the lease of properties of Harbor Warehouse Company be, and the same, is hereby dismissed.

Dated at San Francisco, California, this 15th day of July, 1918.

Edwin O. Edgerton
John B. ...
Alex Gordon
Frank ...

Commissioners.