

Decision No. 464.**ORIGINAL**BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

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In the Matter of the Application of)
 LAWRENCE WAREHOUSE COMPANY)
 a corporation, for an order authori-)
 zing the issue of stock.)

Application No. 464.-----
Chas. C. Boynton, for applicant.MARTIN, Commissioner.O P I N I O N.

LAWRENCE WAREHOUSE COMPANY asks permission to issue and sell, at not less than par, \$40,000 of its common capital stock. It intends to deliver \$23,700 of its stock to the California Terminals Company in payment of indebtedness, and sell the remaining \$16,300 of stock to the California Terminals Company or to stockholders of that company.

Lawrence Warehouse Company was incorporated in 1913, with an authorized capital stock of \$10,000 divided into 1,000 shares of the par value of \$10. each. All of the \$10,000 of stock was issued by the company pursuant to the authority granted in Decision No. 4310, dated May 10, 1917, (Vol. 13, Opinion and Orders of the Railroad Commission of California, p. 227). Recently the company has amended its articles of incorporation and increased its capital stock to \$50,000.

In exhibits attached to the petition, applicant reports its assets and liabilities as of April 30, 1919, as follows:

ASSETS:

Fixed Capital,		\$17,439.44
Real Estate,	\$2,002.70	
Buildings,	4,536.55	
Warehouse Equipment,	6,289.50	
Automobile and Trucks,	<u>4,610.69</u>	
Leases,		48,163.46
Investment (Stocks),		703.00
Investment (U.S. Liberty Bonds),		4,987.60
Cash,		6,955.85
Accounts Receivable,		45,248.16
Deferred Assets,		<u>2,593.55</u>
Total <u>ASSETS</u> ,		\$126,091.06

LIABILITIES:

Stock Outstanding,	\$	10,000.00
Advances by California Terminals Company,		23,700.00
Notes Payable,		12,343.75
Accounts Payable,		10,968.31
Deferred Liabilities,		6,525.50
Reserves,		4,534.82
Appreciation of Fixed Capital,		37,135.00
Surplus,		<u>20,883.69</u>
Total <u>LIABILITIES</u> ,		126,091.06

Applicant reports a material increase in its business. For the year 1916,, it reported total operating revenues at \$75,713.59, for 1917 total operating revenues of \$89,776.75 and for 1918 total operating revenues of \$138,939.84. At the time of the Commission's decision referred to above, applicant was operating warehouses having a floor space of 30,000 square feet, while at present it is operating warehouses having a floor space of 755,000 square feet. The warehouses which applicant operates are located in Oakland, Alameda and Sacramento. The increase in applicant's business, according to the testimony of A.T. Gibson, secretary of the Lawrence Warehouse Company, makes it necessary for the company to issue additional stock.

Up to April 30, 1919, the California Terminals Company advanced to applicant a total of \$23,700. The Terminals

Company considered the advances as a subscription for applicant's stock and is willing to accept such stock at par in payment for the moneys advanced. The Terminals Company or stockholders of that company have also expressed a willingness to purchase for cash additional stock of applicant in the amount of \$16,300.

I am of the opinion that because of the acquisition of properties, increase in business, the investment of surplus earnings in property and the need for added working capital, applicant may be properly permitted to issue \$40,000 of its stock at par. The authority herein granted should, however, not be interpreted as placing any value upon the various leases referred to in the petition herein.

I herewith submit the following form of Order.

O R D E R.

LAWRENCE WAREHOUSE COMPANY having applied to the Railroad Commission for authority to issue \$40,000 of stock, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in the order, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that LAWRENCE WAREHOUSE COMPANY be, and it is hereby, granted authority to issue, and sell for cash at not less than par, \$40,000 par value of its common capital stock.

The authority herein granted is subject to the following conditions:

- 1.— Of the stock herein authorized to be issued, \$23,700 shall be delivered to the California Terminals Company in payment for advances by that company and referred to in the petition herein.

The remaining \$16,300 of stock may be sold by applicant to either the California Terminals Company or stockholders of that company, and the proceeds used for the acquisition of properties and working capital, to which reference is made in this petition.

2.-- Lawrence Warehouse Company shall keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds, as will enable it to file on or before the twenty-fifth day of each month a verified report, as required by the Railroad Commission's General Order Number 24, which order, in so far as applicable, is made a part of this order.

3.-- The authority herein granted shall apply only to such stock as may be issued on or before December 31, 1919.

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 30th day of June, 1919.

H. S. Loveland
Frank P. Goble
H. R. Bunnell
Dwight Martin
Commissioners.