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ORIGINAL

Decision No. 6753

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PRODUCERS WAREHOUSE, INC., a corpora-)
tion, for an order authorizing the)
issuance of stock of the par value of)
\$20,000.00)

Application No. 4791.

Chickering and Gregory by W. C. Fox, for applicant.

LOVELAND, Commissioner.

O P I N I O N

Producers Warehouse, Inc., asks permission to issue \$20,000.00 par value of its common capital stock.

From the record herein it appears that California Co-Operative Canneries owns canning plants at San Jose. In connection with these plants it has been operating four warehouses. The total investment of the canneries including the warehouses is reported as being in excess of \$300,000.00. In order to issue valid warehouse receipts it has been found advisable to transfer the warehouse business of the canneries to a separate corporation. To effect this end, California Co-Operative Canneries has caused to be organized the Producers Warehouse, Inc., the corporation having an

authorized capital stock of \$50,000.00, divided into 500 shares of the par value of \$100.00 each. The Canneries has leased to the warehouse corporation its warehouses at an annual rental of \$100.00 per month.

Applicant intends to issue forthwith \$11,000.00 of its common capital stock. All of the stock will be acquired by the California Co-Operative Canneries; approximately \$6,000.00 in exchange for warehouse tools and equipment and \$5,000.00 for cash to supply the warehouse corporation with necessary working capital. The testimony shows that the canneries will retain the ownership of all of the stock issued by the Producers Warehouse, Inc., except shares necessary to qualify directors.

Of the \$20,000.00 of stock applied for, applicant intends to issue the remaining \$9,000.00 from time to time as authorized by the Commission in a supplemental order or orders in this proceeding.

Counsel for applicant takes the position that Producers Warehouse, Inc., is not a public utility subject to the jurisdiction of the Railroad Commission. After having considered the argument, as well as the testimony which shows that it is a common practise to store, in warehouses connected with canneries, goods for persons other than that of the canneries owning the warehouse facilities, and that the same practise will be indulged in by applicant, I have reached the conclusion that this Commission has jurisdiction over the affairs of Producers Warehouse, Inc., and that the corporation is a public utility.

I herewith submit the following form of Order:-

O R D E R

PRODUCERS WAREHOUSE, INC., having applied to the Railroad Commission for permission to issue stock, a public hearing having been held, and the Railroad Commission being of the opinion that this application should be granted, subject to the conditions of this Order;

IT IS HEREBY ORDERED that Producers Warehouse, Inc. be, and it is hereby, authorized, to issue, at not less than par on or before June 30, 1920, \$20,000.00 par value of its common capital stock, upon the following conditions and for the following purposes:-

1.-Of the stock herein authorized to be issued, approximately \$6,000.00 may be issued for the purpose of acquiring from California Co-Operative Canneries, the warehouse tools and equipment referred to in applicant's exhibit No. "1", and approximately \$5,000.00 may be issued to California Co-Operative Canneries for cash to obtain necessary working capital.

2.-The remaining \$9,000.00 of capital stock shall be issued only for such purposes as the Railroad Commission may hereafter authorize in a supplemental order or orders.

3.-Producers Warehouse, Inc., 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 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 7th day of October, 1919.

Edwin O. Edgerton
A. D. Loveland
Henry Martin

Commissioners.