

ORIGINAL

Decision No. 7408

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
 PORT COSTA WAREHOUSE COMPANY, a cor-)
 poration, E. A. Strauss of London,)
 doing business as Strauss and Company,)
 and NORTHERN GRAIN AND WAREHOUSE COM-)
 PANY, a corporation, created, organized)
 and existing under the laws of the State)
 of Oregon, for permission to issue)
 stocks, promissory notes, etc.)

Application No. 5498

Hugh K. McKeivitt, for applicants.

MARTIN, Commissioner.

OPINION.

This application involves the issue of \$150,000.00 of common stock by Port Costa Warehouse Company, the issue of a \$25,000. 6 percent. two year note by Strauss and Company and the issue of a \$25,000.00 two year 6 percent. note by Northern Grain and Warehouse Company.

The record shows that Port Costa Warehouse and Dock Company has entered into an agreement to sell for \$150,000.00 its warehouse properties and business located near Port Costa to Strauss and a co-partnership Company of London, England, consisting of E. A. Strauss and Northern Grain and Warehouse Company, a corporation, organized and existing under and by virtue of the laws of the State of Oregon.

The purchasers agree to pay \$50,000.00 of the purchase price in cash, \$50,000.00 at the end of one year, and \$50,000.00 at the end of two years. The deferred payments are to be represented by two \$25,000.00 one year 6 percent. notes and by two \$25,000.00 two year 6 percent. notes. One of the \$25,000.00 notes payable in one year will be signed by Strauss and Company; the other by Northern Grain and Warehouse Company; while one of the two year \$25,000.00 notes will be signed by Strauss and Company and the other by Northern Grain and Warehouse Company. The notes signed by Strauss and Company are to be endorsed by Northern Grain and Warehouse Company and those signed by Northern Grain and Warehouse Company by Strauss and Company.

Both Strauss and Company and Northern Grain and Warehouse Company are willing to turn the properties and their interest therein over to Port Costa Warehouse Company in exchange for \$150,000.00 of that company's capital stock. One half of the stock will be issued to and held by Strauss and Company; the other half by Northern Grain and Warehouse Company. The notes issued by Strauss and Company and Northern Grain and Warehouse Company will be paid by them and not assumed by the Port Costa Warehouse Company. Applicants agree to hold the stock in escrow until the entire indebtedness is discharged.

For the year 1918 the Port Costa Warehouse and Dock Company reported operating revenues of \$60,008.36 and for 1919, \$84,744.97. The operating expenses for 1918 are reported at \$50,844.05 and for 1919 at \$59,524.20, leaving net operating revenues at \$9,164.31 and \$25,220.77 respectively.

I believe that this application should be granted and therefore submit the following form of order.

O R D E R.

PORT COSTA WAREHOUSE COMPANY, having applied to the Railroad Commission to issue \$150,000.00 of its common capital stock and Strauss

and Company and Northern Grain and Warehouse Company having applied to the Commission for permission to issue notes of the aggregate face value of \$50,000.00, a public hearing having been held, and the Railroad 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 this 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 Port Costa Warehouse Company be and it is hereby authorized to issue \$150,000.00 of its common capital stock for the purpose of acquiring free and clear of all encumbrances, the properties purchased by Strauss and Company and Northern Grain and Warehouse Company from Port Costa Warehouse and Dock Company, said properties being referred to in the agreement attached to the petition herein:

IT IS HEREBY FURTHER ORDERED that Strauss and Company be and it is hereby authorized to issue a \$25,000.00 two year 6 percent. note and Northern Grain and Warehouse Company a \$25,000.00 two year 6 percent. note for the purpose of paying in part for the properties which they intend to acquire from Port Costa Warehouse and Dock Company.

The authority herein granted is subject to the following conditions:-

1. The stock herein authorized shall be held in escrow until Strauss and Company and Northern Grain and Warehouse Company have paid the indebtedness incurred in connection with the purchase of the properties of Port Costa Warehouse and Dock Company.

2. The price paid for the properties of Port Costa Warehouse and Dock Company shall never be urged before this Commission or other public body having jurisdiction, as a measure of value of the properties for fixing rates or any

purpose other than the transfer herein authorized.

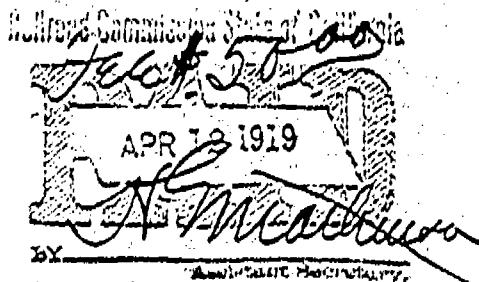
3. Applicants shall keep such record of the issue and sale of the stock and notes herein authorized and of the disposition of the proceeds as will enable them to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

4. The authority herein granted shall not become effective until applicants have paid the fee prescribed in the public utilities act.

5. The authority herein granted will apply only to such stock and notes as may be issued on or before August 1, 1920.

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 9th day of April, 1920.



Emil O. Egan
H. D. Loveland
Frank R. [Signature]
H. R. [Signature]
James M. [Signature]
Commissioners.