

Decision No. 7752.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
CALEXICO COMPRESS COMPANY, a corpo- )  
ration, for ratification of the )  
issuance of certificates represent- )  
ing its capital stock and authority )  
to re-issue the same. )

Application No. 5669.

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J.S. Larew, for applicant.

BRUNDIGE, Commissioner.

O P I N I O N.

CALEXICO COMPRESS COMPANY asks permission to issue \$60,000. par value of common stock in lieu of a like amount of stock heretofore sold without an order from the Railroad Commission.

The record shows that applicant, among other things, is engaged in yarding and handling cotton at Calexico, Imperial County. It reports assets and liabilities as follows:

ASSETS:

Plant, . . . . .	\$79,502.14
Equipment, . . . . .	5,727.00
Cash, . . . . .	<u>11,307.93</u>
Total ASSETS, . . . . .	\$96,537.07

LIABILITIES:

Bills Payable, . . . . .	\$ 9,000.00
Capital Stock, . . . . .	60,000.00
Profit and Loss, . . . . .	<u>27,537.07</u>
Total LIABILITIES, . . . . .	96,537.07.

Applicant reports that its plant consists of about 17 acres of land, approximately 4000 feet of side-tracks, boiler rooms and boilers, compress machine, sheds, platforms for tracking and loading, a private water works system installed for the purpose of securing lower insurance rates, office building and equipment.

That applicant's business has been increasing is evidenced by the fact that during the year ending June 30, 1919, it received 74,057 bales of cotton as compared with 25,737 bales for the year ending June 30, 1915. The testimony shows that applicant sold its stock at par, and that not only have all of the proceeds been invested in applicant's business but surplus earnings as well. The testimony further shows that applicant's officers were not advised of the provisions of the Public Utilities Act at the time the stock was sold and that they issued the stock with no intention of evading the provisions of the act. Inasmuch as the Public Utilities Act declares stock of public utilities issued without permission from the Railroad Commission null and void, this Commission cannot ratify the issue of such stock, but it has the power to authorize, subject to such conditions as maybe proper, issue of stock in lieu of that sold without permission,

I herewith submit the following form of order:

O R D E R

CALEXICO COMPRESS COMPANY having applied to the Railroad Commission for permission to issue \$60,000.00 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 through such issue is reasonably required by applicant, 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 CALEXICO COMPRESS COMPANY be, and it is hereby, authorized to issue on or before December 31, 1920, \$60,000.00 par value of its common capital stock in lieu of a like amount of stock heretofore sold at par without an order from the Railroad Commission; PROVIDED:

That, none of the stock herein authorized shall be issued until the outstanding stock certificates have been re-

turned to applicant and cancelled; and  
PROVIDED FURTHER, that applicant file with the Commission on or  
before the 25th day of each month, until all of the stock  
has been issued, a statement showing the amount of stock  
issued during the preceding month, together with the names  
of the persons to whom such stock was issued and the  
amount of stock issued to each individual.

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 19<sup>th</sup> day  
of June, 1920.

Eric O. Egbert  
A. D. Loveland  
Frank R. Quinn  
H. R. Bunnage  
James Martin  
Commissioners.