

**ORIGINAL**

Decision No. 8343.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
 FARMERS ALLIANCE BUSINESS ASSOCIATION )  
 for an order authorizing and permitting ) Application No. 5630.  
 an issuance of a certain number of )  
 shares of capital stock as a dividend. )

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 Carlton W. Greene for applicant.

BY THE COMMISSION:

O P I N I O N.

FARMERS ALLIANCE BUSINESS ASSOCIATION, a corporation, conducting a general warehouse business in Paso Robles, San Luis Obispo County, asks permission to issue 320 shares (\$3,200.00) of its common stock to reimburse its treasury and thereafter distribute the stock as a stock dividend.

A public hearing was had on this application before Examiner Westover at Paso Robles on November 3rd.

As of December 31, 1919, applicant reports its assets and liabilities as follows:

Assets:

Fixed Capital:--	
Cost of Plant, Buildings, Land, etc.,	\$14,455.94
Equipment,	4,147.57
	<u>Total Fixed Capital, \$18,603.51</u>
Treasury Securities,	2,300.00
Cash on Hand and in Banks,	3,314.66
Notes Receivable,	481.74
Accounts Receivable,	6,346.36
Materials and Supplies,	<u>1,226.80</u>
	<u>Total Assets, \$32,273.07</u>

Liabilities:

Capital Stock,	\$15,160.00
Notes Payable,	7,000.00
Accounts Payable,	2,491.04
Surplus,	<u>7,622.03</u>
	<u>Total Liabilities, \$32,273.07</u>

The testimony of Chester F. Grove, applicant's manager, showed that during 1919 applicant expended out of its surplus the sum of \$3,256.56 for equipment, consisting of grain cleaning machinery, scale equipment, motor, belting, lumber and appliances. Because of these surplus earnings re-invested in fixed capital, applicant asks permission to issue \$3,200.00 of its capital stock for the purpose of reimbursing its treasury; after such reimbursement applicant intends to distribute the stock as a dividend to present stockholders in proportion to their respective holdings.

O R D E R.

FARMERS ALLIANCE BUSINESS ASSOCIATION having applied to the Railroad Commission for permission to issue \$3,200.00 of its common capital stock, 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 specified in this order and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that FARMERS ALLIANCE BUSINESS ASSOCIATION be, and it is hereby, authorized to issue on or before March 31, 1921, \$3,200.00 of its common capital stock for the purpose of reimbursing its treasury on account of earnings invested to acquire the properties referred to in this application.

The order herein granted is upon the following conditions:

- 1.--- The stock herein authorized shall be issued at par, and after being used for the purpose of reimbursing applicant's treasury, shall be distributed by applicant

as required and permitted by law to its stockholders as a stock dividend.

2.--- Farmers Alliance Business Association shall keep such record of the issue and disposition of the stock herein authorized as will enable it 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.

Dated at San Francisco, California, this 15<sup>th</sup>  
day of November, 1920.

H. D. Love and

H. A. Brundage

Jessie Mattis  
Commissioners.