

HS

Decision No. 8814.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

-----

In the Matter of the Application of )  
NORTHERN CALIFORNIA WOOL WAREHOUSE )  
COMPANY for permission authorizing ) Application No. 6697  
the issue of \$25,000.00 par value )  
of stock. )

-----

Fred A. Ellenwood for applicant.

MARTIN, Commissioner.

O P I N I O N .

NORTHERN CALIFORNIA WOOL WAREHOUSE COMPANY asks permission to issue and sell at par \$25,000.00 of its common capital stock.

The record shows that applicant corporation was incorporated on or about March 7, 1921, with an authorized capital stock of \$25,000.00, divided into 500 shares of the par value of \$50.00 each. Applicant was organized for the purpose of securing and operating a proper place for the storing and grading of wool and for the purpose of acting as agent for wool growers in transferring their wool direct from the grower to the mill and to aid the wool grower in marketing the wool.

Applicant reports that it has leased for a term of three years a one-story brick building 300 x 300 feet from the Stanford Ranch Company of Vina, which building it intends to use as a warehouse for the purpose of storing wool. The rental for the warehouse is fixed at \$1,200.00 for the first year, \$1,800.00

for the second year and \$2,400.00 for the third year. Applicant is given an option to renew the lease on the expiration of three years for a term of five years at a rental of \$3,000.00 per annum.

Applicant has submitted a statement showing that it will require at least \$16,500.00 to establish, operate and conduct its business until such time as an income is derived from the selling and storing of wool in its warehouse. The purposes for which applicant estimates it will have to expend the \$16,500.00 are reported by it as follows:

Lease of the warehouse for one year, . . . . .	\$1,200.00
Automobile, . . . . .	1,000.00
Salary of Warehouse Superintendent, . . . . .	2,400.00
Grading 1,000,000 lbs. of wool at 1/2¢ per lb., . . . . .	5,000.00
Improvements and Repairs on Warehouse, . . . . .	1,250.00
Scales for Weighing, . . . . .	220.00
Stationery and printing, . . . . .	150.00
Incorporating Expense, . . . . .	50.00
Warehouse labor for weighing and handling wool, . . . . .	1,000.00
Office Expense, . . . . .	600.00
Insurance on Wool in Storage, . . . . .	1,500.00
Freight Advances on Wool, . . . . .	1,250.00
Trucks and other Equipment, . . . . .	80.00
Traveling expenses of Warehouse Superintendent selling stock and securing wool consignments, . . . . .	<u>800.00</u>
Total, . . . . .	\$16,500.00

It appears to us that some of the properties which applicant intends to acquire and some of the expenditures which it intends to make will not be for public utility purposes. The order herein will require applicant to file with the Railroad Commission a stipulation duly authorized by its board of directors agreeing that it, its successors and assigns, will never ask the Railroad Commission, or any other public body having jurisdiction, to include in a rate base such an amount of the proceeds realized from the stock herein authorized as may be expended for non-public utility property or purposes.

Applicant agrees that it will sell its stock only to bona fide wool growers and that such stock will be sold at par

without the payment of any brokerage or commission fees.

I herewith submit the following form of Order.

O R D E R

NORTHERN CALIFORNIA WOOL WAREHOUSE COMPANY having applied to the Railroad Commission for permission to issue \$25,000.00 of its common capital 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 the issue of \$16,500.00 of stock is reasonably required by applicant at this time, and that the proceeds from the remaining \$8,500.00 of stock should not be expended by applicant except for such purposes as the Railroad Commission may hereafter authorize by a supplemental order or orders herein;

IT IS HEREBY ORDERED, that NORTHERN CALIFORNIA WOOL WAREHOUSE COMPANY be, and it is hereby, authorized to issue \$25,000.00 of its common capital stock.

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

1.--The stock herein authorized to be issued shall be sold by applicant on or before November 15, 1921, for cash, at not less than par.

2.--Of the proceeds realized from the sale of the stock, the issue of which is herein authorized, applicant may use not exceeding \$16,500.00 for the purpose of establishing, operating and conducting its wool warehouse business as outlined in this application. The remainder of the proceeds obtained from the sale of the stock, together with any portion of the \$16,500.00 not required for any of the purposes indicated in this application, shall be expended only for such purposes

as the Railroad Commission may hereafter authorize by supplemental order or orders herein.

3.--Northern California Wool Warehouse Company within thirty days after the date hereof shall file with the Railroad Commission a stipulation duly authorized by its board of Directors declaring that Northern California Wool Warehouse Company, its successors and assigns will never ask the Railroad Commission, or any other public body having jurisdiction, to include in a rate base such an amount of the stock as may represent, or be offset by non-public utility properties or expenditures, and a supplemental order made reciting that such stipulation satisfactory in form has been filed with the Railroad Commission.

4.--Northern California Wool Warehouse Company shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds 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.

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 31<sup>st</sup>  
day of March, 1921.

Frank R. Johnson

H. B. ...

Waring ...

COMMISSIONERS.