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ORIGINAL

Decision No. 9353.

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

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In the Matter of the Application of )  
PALMS WAREHOUSE COMPANY, )  
a corporation, for permission to )  
issue stock. )

Application No. 7039

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Sol A. Rehart for Applicant.

BY THE COMMISSION:

O P I N I O N

PALMS WAREHOUSE COMPANY asks permission to issue and sell at par, 40 shares (\$4,000.00) of its common capital stock.

A public hearing in this matter was held before Examiner Williams in Los Angeles on August 6, 1921.

It appears from the testimony of John F. Sake, applicant's secretary, that Palms Warehouse Company has been recently organized with an authorized stock issue of \$10,000.00, divided into 100 shares of the par value of \$100.00 each. Applicant has leased the building and equipment formerly operated by Imperial Grain and Warehouse Company at Palms, Los Angeles County, and proposes to conduct a grain, bean and feed business, and, incidentally, the public utility business of warehousing.

The testimony herein shows that the \$4,000.00 of stock it is now proposed to issue, will be sold for cash at par, without any deduction for brokerage or commission fees to applicant's directors, and the proceeds largely used for non-public utility purposes. Applicant intends to expend \$1,600.00 for trucks and \$1,400.00 for

feed and use \$1,000.00 for working capital.

We are of the opinion that the application should be granted but that applicant should be required 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 other public body having jurisdiction, to include in a rate base such portion of the \$4,000.00 as may be expended for non-public utility purposes.

O R D E R

PAIMS WAREHOUSE COMPANY, a corporation, having applied to the Railroad Commission for permission to issue stock, a public hearing having been held and it appearing to the Railroad Commission that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified herein, 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 PAIMS WAREHOUSE COMPANY, a corporation, be, and it is hereby, authorized to issue and sell 40 shares (\$4,000.00) 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, for cash, at not less than par, without deduction for brokerage or commission, and the proceeds used for the purposes specified in the opinion preceding this order.
- 2.--Palms Warehouse Company, within sixty days from the date of this order, shall file with the Railroad Commission for approval, a stipulation duly authorized by its

Board of Directors, declaring that it, its successors and assigns will never urge the Railroad Commission, or other public body having jurisdiction, to include in a rate base, such portion of the \$4,000.00 as may be expended for non-public utility purposes.

3.--Palms Warehouse Company 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 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 apply only to such stock as may be issued on or before December 31, 1921.

DATED at San Francisco, California, this 13<sup>th</sup>  
day of August, 1921.

H. V. Brundage  
H. J. Gilchrist  
James Martin  
Robert H. Rowell  
J. J. Connelley  
Commissioners.