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ORIGINAL

Decision No. 9609.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
PUENTE PACKING COMPANY,)
a corporation, for an order per-)
mitting it to sell its capital stock)
and issue certificates of stock to)
the buyers thereof.)

Application No. 7087

Thomas C. Ridgeway, by Jesse A. Gyger, for applicant.

BY THE COMMISSION:

O P I N I O N

PUENTE PACKING COMPANY asks permission to issue and sell at par \$50,000.00 of its common capital stock and to acquire certain properties subject to an indebtedness of \$22,920.00.

Puente Packing Company was organized in May 1921, with an authorized stock issue of \$50,000.00, divided into 500 shares of the par value of \$100.00 each. From the testimony in this proceeding, taken before Examiner Williams, it appears that applicant will engage in the business of packing citrus fruits, bean cleaning and warehousing. The record shows that approximately 25 per cent. of its business during the current year may be of a public utility character and the remaining 75 per cent. non-public utility. It further appears that applicant's public utility business may become of less importance in the course of time for the reason that acreage now devoted to the growing of beans is being planted to citrus fruits.

Applicant has made arrangements to purchase two parcels of real estate and other properties described in Exhibit "A"

filed in this proceeding. The properties are described as follows:--

REAL ESTATE

PARCEL 1. All of Block Eighteen (18), except the East 175 feet thereof, in the Town of Puente, as per Map thereof recorded in the Office of the County Recorder of Los Angeles County, in Book 7, pages 86 and 87, Miscellaneous Records of said County, known as the Bean-Cleaning and Storage Warehouse; and

PARCEL 2. All right, title and interest in the East 175 feet of Block Eighteen (18), in the Town of Puente, as per Map thereof recorded in the Office of the County Recorder of Los Angeles County, in Book 7, pages 86 and 87, Miscellaneous Records of said County, known as the Citrus Packing Plant, as evidenced by agreement of Purchase between La Puente Valley Walnut Growers Association, as Vendor, and Puente Mercantile Company, as Vendee.

PERSONAL PROPERTY

That certain personal property, in connection with the Bean-Cleaning and Storage Warehouse, consisting of bean-cleaner, bean picker, stacker, and other machinery, and the furniture and fixtures located in said warehouse, together with any accounts receivable covering storage charges that are a lien upon any personal property now or that may hereafter be placed in storage in said warehouse;

That certain personal property, in connection with the Citrus Packing Plant, consisting of the machinery and equipment, furniture and fixtures, shoo, paper, labels, picking boxes, packing boxes, and other stock on hand, including nails, wires, etc., used in connection with said business and located in the said Citrus Packing Plant, together with certain accounts receivable due from growers, amounting to \$1535.69, and also all moneys due from the Mutual Orange Distributors for distribution among the owners of said fruit, less packing and other charges thereon, which charges shall go to this corporation.

G.M.C. AUTO TRUCK, 1919 Model "F" No. 90409; and BUICK TOURING CAR, 1918 Model "M", No. 440254, used in connection with the said Bean-Cleaning and Storage Warehouse, and Citrus Packing Plant;

Office furniture and fixtures, formerly belonging to PUENTE MERCANTILE COMPANY, and now located in the building of the PUENTE DEVELOPMENT COMPANY, at Puente, California."

Applicant has agreed to pay \$22,500.00 for the equity in the above described properties. The properties are subject to an indebtedness of \$22,920.00, \$15,000.00 of which is payable in installments extending over the period ending June 1, 1930, and \$7,920.00 in installments extending over the period ending December 31, 1929. The payment of this indebtedness applicant asks permission to assume.

Applicant asks authority to sell all of its authorized

stock of \$50,000.00 at not less than par. It appears from the record that it immediately intends to sell \$24,000.00 of the stock and use \$22,500.00 of the proceeds to pay for the equities in the properties which it now proposes to acquire. The remaining \$1,500.00 obtained from the sale of the \$24,000.00 of stock it will use for working capital. Applicant has not submitted any definite information as to the purposes for which it will use the proceeds obtained from the sale of \$26,000.00 of stock. The order herein will permit of the sale of this stock subject to the condition that none of the proceeds be expended except as hereafter authorized by the Railroad Commission.

It appears from the testimony that applicant will engage in both public and non-public utility business. It will be required, therefore, to file with the Commission a stipulation duly authorized by its Board of Directors, in which it, its successors and assigns agree not to ask the Railroad Commission, or other public body having jurisdiction, to include in a rate base such an amount of the proceeds obtained from the sale of the stock as may be expended for non-public utility purposes.

O R D E R

FUENTE PACKING COMPANY having applied to the Railroad Commission for permission to issue stock and assume indebtedness, 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 by the issue of the stock herein authorized is reasonably required by applicant;

IT IS HEREBY ORDERED, that FUENTE PACKING COMPANY be, and it is hereby, authorized to issue and sell at not less than par \$50,000.00 of its common capital stock and to assume the payment of the indebtedness payable to the Mutual Building and Loan Association of Pomona under a deed of trust dated June 1, 1919, and under an agreement between La Puente Valley Walnut Growers Association and Puente

Mercantile Company dated June 1, 1920.

The authority herein granted is subject to further conditions as follows:-

1.--Of the proceeds obtained from the sale of stock,

\$22,500.00 may be used to pay for the equities in the properties which applicant intends to acquire and which are described in this application. Proceeds in the amount of \$1,500.00 may be used by applicant for working capital. The remainder of the proceeds obtained from the sale of the stock shall not be expended except for such purposes as the Railroad Commission may authorize by supplemental order or orders.

2.--The authority herein granted will not become effective until Puente Packing Company has filed with the Railroad Commission a stipulation duly authorized by its Board of Directors declaring that Puente Packing Company, its successors and assigns will never urge the Railroad Commission or other public body having jurisdiction to include in a rate base such an amount of the proceeds obtained from the sale of the stock herein authorized as may be expended for the acquisition of non-public utility properties, and a supplemental order made reciting that such stipulation satisfactory in form has been filed with the Commission.

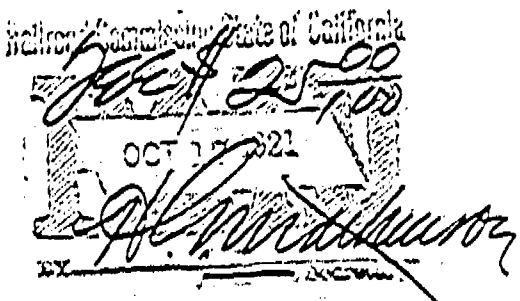
3.--Puente Packing Company shall keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds as will enable

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 will not become effective until applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is \$25.00.

5.--The authority herein granted will apply only to such stock as may be issued, sold and delivered on or before April 1, 1922.

DATED at San Francisco, California, this 14th day of October, 1921.



H. B. Brundage
H. J. Loveland
Charles A. Howell
W. J. [Signature]
Commissioners.