

Decision No. 27253

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
PORT OF STOCKTON GRAIN TERMINAL )  
for an order authorizing the issue )  
of stock. )

Application No. 19525

Nutter and Rutherford, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application as amended, Port of Stockton Grain Terminal, a corporation, asks permission to issue 246 shares (\$24,600.00 par value) of its common capital stock and use the proceeds for the purposes hereinafter stated.

Port of Stockton Grain Terminal is a company organized and existing under and by virtue of the laws of the State of California. It was incorporated on April 2, 1934. It has an authorized stock issue of \$25,000.00, divided into 250 shares of \$100.00 each. The company was organized for the purpose, among others, of conducting a general warehouse business, including clearing, stevedoring, loading and unloading ships, trains and trucks and conveyances of all character. It is also authorized to engage in a general hay and grain business, including buying, selling and dealing in hay, grain, mill stuffs, produce and other farm products; to receive on storage hay, grain, beans, mill stuffs and farm produce; and to engage in a general warehouse business. It may also engage in certain other business activities.

Applicant has entered into an agreement (Exhibit D) with Stockton Port District under the terms of which it leases certain properties from the District, including a warehouse to be built by the District. The warehouse is to have an area of about 30,000 square feet. It is leasing the premises for a period of four years with an option of an additional twenty-one years. The agreement sets up the terms and conditions under which applicant may acquire the warehouse building and construct additional buildings upon the leased premises. Applicant has agreed to construct, at its own cost, whatever conveyors, cleaning machinery and other equipment may be required in its opinion for the handling of its business, such construction to include an overhead conveyor connecting the said warehouse with transit shed No. 4. It is understood that the conveyor when constructed shall be suitable for the conveyance of sack and/or bulk grain either from the warehouse or warehouses to transit shed No. 4, or into holds of ships lying along side of the wharf, or from such ships or sheds directly to said warehouse or warehouses. Applicant's estimated expenditures are reported at approximately \$69,800.00.

Applicant reports that it is now engaged in the construction of the conveyor and the grain cleaning plant. It asks that it be permitted to use the proceeds from the sale of the 246 shares of stock to pay in part the cost of the conveyor, grain cleaning plant and other equipment which it is required to install in the warehouse and on the premises leased from the Stockton Port District.

It appears from applicant's petition that 123 shares of the stock which it desires to issue will be acquired by the Delta

Warehouse Company and 123 shares by T. D. Stevenson. The stock will be issued at par, namely \$100.00 per share.

O R D E R

The Commission having considered the request of Port of Stockton Grain Terminal for permission to issue 246 shares of stock and being of the opinion that this is not a matter in which a public hearing is necessary, that the money, property or labor to be procured or paid for by the issue of said stock is reasonably required by applicant for the purposes herein stated and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED, that Port of Stockton Grain Terminal be, and it is hereby, authorized to issue and sell, on or before December 31, 1934, at not less than par, 246 shares (\$24,600.00 par value) of its common capital stock and use the proceeds realized from the sale of such stock to pay in part the cost of the conveyor, the grain cleaning plant and other equipment which applicant is required under the agreement filed in this proceeding as Exhibit D to install in the warehouse and on the premises referred to in such agreement.

IT IS HEREBY FURTHER ORDERED, that Delta Warehouse Company be, and it is hereby, authorized to acquire and hold 123 shares of the 246 shares of stock of Port of Stockton Grain Terminal.

IT IS HEREBY FURTHER ORDERED, that Port of Stockton Grain Terminal shall file with the Railroad Commission such

reports as are required by the Commission's General Order No. 24,  
which order, insofar as applicable, is made a part of this order.

*August* DATED at San Francisco, California, this 6<sup>th</sup> day  
of ~~May~~, 1934.

C. C. Leavelle  
L. A. Williams  
W. H. Allen  
M. B. Harris  
A. J. [unclear]  
Commissioners.