

Decision No. 28080

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PORT STOCKTON COMPRESS, INC.) Application No. 20,017
for authority to issue common stock.)

Nutter and Rutherford, for applicant

BY THE COMMISSION:

ORIGINAL

O P I N I O N

In this application Port Stockton Compress, Inc. asks permission to issue 400 shares of its no par value common stock for the purpose of retiring its outstanding preferred stock.

Applicant is engaged in the business of conducting a cotton compress and warehouse business in the City of Stockton. The business is being conducted on property leased from the Stockton Port District, a public corporation formed for municipal purposes.

For the 10 months ending May 31, 1935 applicant reports operating revenues of \$99,771.99, and expenses of \$57,920.85, leaving a profit of \$41,851.16. The operating revenues of the company are reported as having been obtained from the following sources:-

Storage.....	\$10,010.25
Compression	60,734.60
Patches	3,046.47
Reconditioning....	2,556.70
Inhandling.....	14,044.75
Re-sampling.....	167.50
Applying patches..	836.40
Loose.....	7,873.32
Flat removal.....	<u>502.00</u>
Total.....	<u>\$99,771.99</u>

Applicant has an authorized stock issue consisting of 400 shares of preferred stock having a par value of \$40,000.00 and 400 shares of common stock without par value. The preferred stock carries cumulative dividends at the rate of 7% per annum. Prior to becoming engaged in the warehouse business applicant secured from the State of California, through the Commissioner of Corporations, a permit to issue 400 shares of its preferred stock at par. Such stock was issued to the following named persons and corporations:-

	<u>Shares</u>
W. D. Griffin.....	22
Producers Cotton Oil Co.	79
California Cotton Credit Association....	167
E. G. Ainsworth	88
Martin Cotton Co.	22
Robert W. Dickey.....	22

Since its issue \$20,000.00 of said stock has been retired. Applicant reports that as soon as possible it desires to retire all of its preferred stock. To accomplish this end, it asks authority to issue to the above persons and corporations 400 shares of its common stock. Prior to the issue, or concurrently with the issue of shares of common stock, to any of said persons or corporations, the preferred shares owned by said persons or corporations must be returned to applicant, for cancellation.

As of May 31, 1935 applicant reports assets and liabilities as follows:-

<u>ASSETS</u>		
Cash		\$27,962.37
Accounts receivable		5,514.91
Inventories		9,814.95
Equipment		8,327.72
Miscellaneous		10,571.50
	Total.....	<u>\$62,291.45</u>
<u>LIABILITIES</u>		
Accounts payable		\$ 1,584.88
Preferred stock outstanding.		20,000.00
Surplus		40,706.57
	Total.....	<u>\$62,291.45</u>

O R D E R

Port Stockton Compress, Inc. having applied for permission to issue 400 shares of its common capital stock without par value, the Commission having considered applicant's request and being of the opinion that this is not a matter in which a hearing is necessary, that the money, property or labor to be procured or paid for by the issue of said 400 shares of common stock is reasonably required by applicant for the purposes herein stated and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Port Stockton Compress, Inc. be, and it hereby is, authorized to issue on or before September 1, 1935, for the purpose of redeeming its outstanding preferred stock, and reimburse its treasury because of income invested in its properties, 400 shares of its common capital stock without par value, to the following persons or corporations:-

<u>Name</u>	<u>No. of Shares</u>
W. D. Griffin	22
Producers Cotton Oil Co.	79
California Cotton Credit Corporation	167
E. G. Ainsworth	88
Martin Cotton Co.	22
Robt. W. Dickey	22

provided said shares of common stock or any of them may be issued to said persons or corporations only upon condition that prior to the issue, or concurrently with the issue of said shares of common stock to any of said persons or corporations, said persons or corporations surrender to applicant for cancellation all of the shares of applicant's preferred stock owned by said persons or corporations.

IT IS HEREBY FURTHER ORDERED that Port Stockton Compress, Inc. shall keep such record of the issue and delivery 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 insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 20th day of

June, 1935.

M B Hanning
D. H. H. H. H.
Frank R. Dwyer
Commissioners.