

Decision No. 28538

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
FEDERAL COLD STORAGE COMPANY)
and FEDERAL ICE & COLD STORAGE COM-)
PANY, (formerly named Federal Refri-)
gerating Company), for orders, permits) Application No. 20338
and certificates consequent upon dis-)
solution of Federal Cold Storage)
Company.)

Richard J. Dillon, for applicants.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

In this proceeding the Commission is asked to enter its order authorizing Federal Cold Storage Company to discontinue all of its business other than as may be involved in its voluntary dissolution, authorizing Federal Ice & Cold Storage Company (formerly named Federal Refrigerating Company) to issue 15,000 shares of no par value common stock in exchange for 15,000 shares of common stock having a par value of \$100. per share, and authorizing said Federal Ice & Cold Storage Company to assume all the obligations and liabilities of Federal Cold Storage Company and manage and operate the business of Federal Cold Storage Company under rates, rules and regulations now on file with the Commission.

Applicant, Federal Cold Storage Company, is a California corporation and is engaged in the general business of cold storage of food products in the City of Vernon, California.

Applicant, Federal Ice & Cold Storage Company, is a California Corporation, (formerly named Federal Refrigerating Company) and has been and is engaged in the general business of providing refrigeration and of manufacturing artificial ice. Its plant is

likewise in the City of Vernon, California.

Federal Cold Storage Company has \$600,000.00 of common stock outstanding. All of this stock except shares held by directors is owned by Federal Ice & Cold Storage Company. The Federal Ice & Cold Storage Company issued \$1,500,000. of 8% cumulative preferred stock and \$1,500,000. of common stock. The stock of both companies was issued under permits⁽¹⁾ obtained from the Commissioner of Corporations. At the time the corporations issued their stock, neither of them were, as to their stock issues, subject to the jurisdiction of the Railroad Commission. The Federal Ice & Cold Storage Company has from time to time redeemed some of its outstanding preferred stock. As of December 31, 1935 it had \$969,300. of preferred stock and \$1,500,000. of common stock outstanding in the hands of the public. Through the consolidation of the properties of the two corporations the \$600,000. of common stock of Federal Cold Storage Company will be cancelled.

Federal Ice & Cold Storage Company proposes to duly amend its Articles of Incorporation by providing in such amendment that the authorized number of shares of common stock, viz: thirty thousand (30,000) shares which are now of the par value of one hundred(\$100.) dollars each be changed to an authorized issue of thirty thousand (30,000) shares of common capital stock of no par value. As stated, Federal Ice & Cold Storage Company has fifteen thousand(15,000) shares of common stock outstanding. The company will carry the fifteen thousand(15,000) shares of no par value common stock which it asks permission to issue in exchange for the fifteen thousand(15,000) shares now outstanding on its books at a stated value of one dollar.

(1) Permits of Federal Refrigerating Company dated July 20, 1923; August 18, 1923; and March 14, 1925.

Permits of Federal Cold Storage Company dated July 20, 1923 and December 28, 1926.

Exhibit one filed at the hearing shows that the investment in the properties of Federal Cold Storage Company and Federal Ice & Cold Storage Company, less the companies' reserve for accrued depreciation, plus their current assets, is in excess of the outstanding preferred stock and current liabilities. For 1934 the Federal Refrigerating Company, now Federal Ice & Cold Storage Company, had gross revenues of \$134,919.96 and Federal Cold Storage Company, \$137,130.41.

The plants and business of the two applicants adjoin each other in said City of Vernon. They are, however, located upon parcels of land now owned by applicants in severalty. The Federal Ice & Cold Storage Company at all times has produced and furnished for the use of Federal Cold Storage Company all of the refrigeration used by the latter in the conduct of its cold storage business.

Federal Ice & Cold Storage Company as the owner and holder of all the authorized, issued and outstanding shares of stock of Federal Cold Storage Company, with the approval of the Board of Directors of said Federal Cold Storage Company, has elected and consented to wind up the affairs and business of said Federal Cold Storage Company and to dissolve voluntarily said corporation. Upon such dissolution Federal Ice & Cold Storage Company will receive distribution of and will become the owner of, all of the assets, business and property now owned in severalty by said Federal Cold Storage Company, excepting cash on hand, but including the real property, and the operating plant, improvements and equipment contained thereon, now and heretofore owned and used by said Federal Cold Storage Company in the transaction of its business. The real property is described in Exhibit "C" filed in this proceeding as follows:-

"All of that portion of Lot Two(2) of Tract Number 5974 in the County of Los Angeles, State of California, as per map recorded in Book 69, page 67 of Maps in the office of the County Recorder of said County of Los Angeles, described as follows, to-wit:

Beginning at a point which bears South 82° 47' 15" East 30.30 feet from Station 27, as shown on said map of Tract Number 5974 and running thence South 82° 47' 15" East 646.21 feet to a point; thence South 7° 12' 45" West 223 feet to a point; thence North 82° 47' 15" West 614.66 feet to a point which is 30 feet East at right angles from the Westerly line of said Lot Two(2); thence along a line which is 30 feet East at right angles from the Westerly line of said Lot Two(2), North 0° 50' 25" West 225.22 feet to the point of beginning, containing 3.23 acres of land."

The business of Federal Cold Storage Company will be conducted by Federal Ice & Cold Storage Company subject to regulations provided by law and to all tariffs, rates and charges of said Federal Cold Storage Company now on file with the Commission.

O R D E R

The Commission having been asked to enter its order, as indicated in the foregoing opinion, a public hearing having been held before Examiner Fankhauser and the Commission having considered applicants' requests and being of the opinion that such requests should be granted as herein provided, that the money, property or labor to be procured or paid for through the issue of 15,000 shares of no par value common stock is reasonably required for the purposes herein stated and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:-

1. Federal Cold Storage Company may, on or before April 1, 1936, transfer by voluntary dissolution or otherwise, all of its properties, except cash on hand, to Federal Ice & Cold Storage Company, and may after the transfer of said properties to said Federal Ice & Cold Storage Company, discontinue all of its business as a public utility.

2. Concurrently with the acquisition of the said properties of Federal Cold Storage Company, Federal Ice & Cold Storage Company shall assume all obligations and liabilities of said Federal Cold Storage Company, and shall enter directly into the management and operation of the plant and business of said Federal Cold Storage Company and may collect all sums due said Federal Cold Storage Company.
3. Within sixty(60) days after the acquisition of the said properties of Federal Cold Storage Company, Federal Ice & Cold Storage Company shall issue to the holders of its 15,000 shares of common stock having a par value of \$100. per share, in exchange for said 15,000 shares of common stock, 15,000 shares of no par value common stock, and show in its records the stated value of said 15,000 shares of no par value of stock to be one dollar.
4. Federal Cold Storage Company and Federal Ice & Cold Storage Company shall join immediately in common supplement to the tariffs on file with the Commission in the name of Federal Cold Storage Company, said Federal Cold Storage Company on the one hand withdrawing and said Federal Ice & Cold Storage Company on the other hand adopting and accepting such tariffs and all effective supplements thereto.
5. Federal Ice & Cold Storage Company shall file with the Commission on or before June 1, 1936 a report showing the names of the persons to whom it issued said 15,000 shares of no par value common stock and the number of shares issued to each of said persons, also an amended copy of

its Articles of Incorporation under which it is authorized to issue shares of common stock having no par value, and a copy of the deed or other instrument under which it acquires and holds title to the properties of said Federal Cold Storage Company.

DATED at San Francisco, California, this 10th day of February, 1936.

W B Harris

W B Harris

W B Harris

Frank R. Wilson

Commissioners.