

Decision No. 28919

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 ) Application No. 20329  
of stock. )

BY THE COMMISSION:

**ORIGINAL**

FIRST SUPPLEMENTAL ORDER

In the above entitled matter filed with the Railroad Commission on January 2, 1936, Port of Stockton Grain Terminal, a corporation, applied for permission to issue \$200,000. of 5% noncumulative preferred stock in payment of amounts advanced or to be advanced to it by Delta Warehouse Company and Stevenson Co., Inc. for the purpose of financing the cost of acquiring and constructing properties.

Thereafter the Commission by Decision No. 28552, dated February 10, 1936, authorized the company to issue only \$135,000.00 of said preferred stock. The opinion in said decision in this connection reads in part as follows:-

"We have considered applicant's request to issue \$200,000. par value of its noncumulative 5% preferred stock and believe that the issue of \$200,000. of such stock will result in an unbalanced capital setup for this corporation. As stated, it now has outstanding \$25,000. of common stock. If this application were granted, its preferred stock would represent about 28.8% of its capitalization and its common stock, 11.1%. It occurs to us that the preferred stock issued by applicant against its present assets should not exceed \$135,000. Of this stock, \$67,500. may be issued to Stevenson Co., Inc. in payment of \$67,500. of indebtedness due it, and \$67,500. to Delta Warehouse Company in payment of \$67,500. of debt due it. The remainder of the indebtedness due these two corporations, namely \$65,000., should be paid through the issue of common stock. Permission to issue said \$65,000. of common stock should be the subject matter of a supplemental application. Its issue will be authorized if an appropriate supplemental application is filed."

The order in the Commission's decision requires the company to file, within thirty(30) days after the issue of said \$135,000. of preferred stock, a report showing the date when it issued said stock, to whom it was issued and the purposes for which it was issued.

In a petition now filed with the Commission on June 15, 1936 the company reports that on June 8, 1936 it issued \$67,500. of its preferred stock to Delta Warehouse Company for the purpose of paying \$67,500. of indebtedness due that company, and that on the same date, for the purpose of paying indebtedness due Stevenson Co., Inc. it issued under the written direction of Stevenson Co., Inc. \$67,500. of the preferred stock to the following persons:-

Continental Grain Company.....	\$33,750.00
T. D. Stevenson .....	8,437.50
Edith Gray Stevenson .....	8,437.50
R. G. Stevenson .....	8,437.50
T. D. Stevenson, Jr. ....	8,437.50

It further reports that it has reduced its indebtedness to Delta Warehouse Company and Stevenson Co., Inc. to \$55,000. and it asks permission to issue its common stock at par in payment thereof, as suggested by the Commission in its former decision. It also asks the Commission to accept the report of the issue of the preferred stock, contained in the present petition, as meeting the requirements of the aforesaid decision.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the report of the issue of the \$135,000. of preferred stock is in satisfactory form, that the money, property or labor to be procured or paid for through the issue of the \$55,000. of common stock is reasonably required for the purpose specified herein and that the expenditures for such purpose are not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that Port of Stockton Grain Terminal, a corporation, be, and it hereby is, authorized to issue, on or before September 30, 1936, at not less than par, \$55,000. of its common stock to Delta Warehouse Company and to Stevenson Co., Inc., or their assigns, in payment of \$55,000. heretofore advanced to applicant by those companies, provided:

1. That within thirty(30) days after the issue of said \$55,000. of common stock, applicant shall file with the Commission a report showing the date when it issued said stock, the names of those to whom it was issued and the purposes for which the same was issued; and
2. That the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 22nd day of June, 1936.

M B Harris

Leon Whitely

W J. Cunn

Walter Moore

Frank R. DeWitt

Commissioners.