

Decision No. 31156

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )

SAN JOAQUIN COMPRESS AND WARE- )  
HOUSE COMPANY )

Application No. 22126

for permission to issue additional )  
stock. )

Harvey, Johnston and Baker by C. W. Johnston, for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding San Joaquin Compress and Warehouse Company asks permission to issue 108 shares (\$10,800.00 par value) of its common capital stock and sell the same to the California Production Credit Corporation for the sum of \$32,840.00.

Applicant owns and operates warehouse properties at Bakersfield and leases warehouse properties from the City of Los Angeles at San Pedro. It is also engaged in cotton compressing and other non-utility business. For the year ending June 30, 1938, it reports total revenues of \$376,989.00 and total expenses of \$255,267.60, leaving a net income of \$121,721.40. During the year it paid dividends in the amount of \$76,125.00. Applicant has an authorized stock issue of \$250,000.00 divided into 2,500 shares of \$100 each. Stock in the amount of \$108,750. is outstanding.

In its annual report recently filed with the Commission, applicant, as of June 30, 1938, shows assets and liabilities as follows:

ASSETS

Cost of warehouse land	\$ 10,006.20
Cost of warehouse buildings	82,037.72
Cost of warehouse equipment	145,890.85
Cash	1,391.39
Accounts receivable	46,523.44
Other assets	<u>63,260.00</u>
Total Assets	\$ 349,109.60

LIABILITIES

Stock outstanding	\$ 108,750.00
Stock assessment	10,875.00
Accounts payable	1,700.40
Reserve for accrued depreciation	118,205.45
Other liabilities	2,108.29
Surplus	<u>107,470.46</u>
Total Liabilities	\$ 349,109.60

Applicant reports, that to be in a position to compete with other warehousemen, it finds it necessary to install a sprinkling system for fire protection in its warehouses and to make other necessary improvements. The contract price for the sprinkling system is reported at \$34,583.75, and the cost of installing a new eight inch cast iron water main at \$3,968.00, making a total of \$38,551.75.

The \$32,840.00 which applicant will realize from the sale of said 108 shares of common stock will be used to pay in part the cost of said improvements.

The price at which applicant proposes to issue its stock is predicated upon a report by John W. Culliton, who acted as mediator for the committee consisting of C. C. Selden, representing California Cotton Cooperative Association who owns all the outstanding stock of California Production Credit Corporation, and W. A. West, representing applicant. His report has been accepted by the two members of the committee.

In granting applicant's request, we are not making a finding of the value of applicant's properties. If that issue comes before us we will consider it de novo.

O R D E R

San Joaquin Compress and Warehouse Company, having asked permission to issue 108 shares of its common capital stock for the consideration and purposes stated in the foregoing opinion, the Commission having considered its request and it being of the opinion that this is not a matter on which a 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 specified herein,

that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income and that this application should be granted, subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED, that San Joaquin Compress and Warehouse Company may, on or before November 1, 1938, issue and sell 108 shares of its common capital stock for the sum of \$32,840.00 and use the proceeds realized from the sale of said stock to pay in part the cost of installing the sprinkling system for fire protection and the cost of installing a water main incident thereto, referred to in this application.

IT IS HEREBY FURTHER ORDERED, that San Joaquin Compress and Warehouse Company shall keep such record of the issue and sale of said stock and of the expenditures of the proceeds realized from the sale of said stock as will enable it to file with the Railroad Commission reports such as are required by the Commission's General Order 24-A, which order in so far as applicable is made a part of this order.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted will become effective fifteen (15) days after the date hereof.

DATED at San Francisco, California this 8<sup>th</sup> day of August 1938.

Paul W. Anderson  
John A. ...  
Walter ...  
W. L. ...  
COMMISSIONERS