

Decision No. 31677

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC STORAGE COMPANY,
for an Order Authorizing and Approving
the Issue of \$2,000.00 par value Capital Stock.

Application No. 22496

BY THE COMMISSION:

OPINION AND ORDER

ORIGINAL

This is an application by Pacific Storage Company for an order authorizing it to issue 20 shares of its common stock of the aggregate par value of \$2,000.00.

Pacific Storage Company is engaged in the business of maintaining and operating a public warehouse for the storage of grain and other commodities and personal property in the City of Stockton and of operating a trucking, draying and moving business in said city. The corporation was organized on or about July 14, 1932 and by Decision No. 25052, dated August 15, 1932, as amended by Decision No. 27848, dated March 25, 1935, was authorized to issue and sell at par for cash \$5,000.00 of its common stock for working capital.

The time within which the company might issue the stock heretofore authorized by the Commission expired on December 31, 1935. It appears from reports filed with the Commission that prior to that date the company issued only \$2,200.00 of the total amount authorized.

During 1937 the company reports that it issued an additional amount of stock in the aggregate amount of \$1,200.00 for the purpose of reimbursing its treasury, financing the cost of additional property and improvements, and of providing working capital. The company's financial reports show that during the year it expended \$4,314.57 for autos, trucks and warehouse equipment and reduced its accounts payable by the sum of \$678.79. An analysis of the reports indicates that funds for such purposes were obtained primarily from working capital and income.

The company did not receive from this Commission authority to issue the \$1,200.00 of stock. It appears, however, that the issue of such stock without an order from this Commission then in effect was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. When the matter of the necessity of obtaining the Commission's consent to the issue of said stock was called to the company's attention it filed the present application for authority to issue the \$1,200.00 of stock and an additional \$800.00 to reimburse it for the moneys heretofore expended for the acquisition of properties and the maintenance and improvement of its service.

It appears to us that the \$1,200.00 of stock issued in 1937 after the expiration of the time specified in the Commission's former decisions is void. The Commission will at this time, however, authorize the company to issue new shares of stock in lieu of those it attempted to issue in 1937 without permission, and to issue the additional \$800.00 of stock as now applied for, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the issue of said stock is reasonably required for the purposes specified herein and that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing in this matter is not necessary.

IT IS HEREBY ORDERED that Pacific Storage Company be, and it hereby is, authorized to issue \$1,200.00 of its common capital stock in lieu of the stock of like amount issued in 1937 without an order of this Commission then in effect and in addition, to issue and sell at par for cash \$800.00 of its common capital stock, such stock to be issued for the purpose of replenishing its working capital and of financing the cost of properties and improvements, provided-

1. The shares representing the \$1,200.00 of stock issued in 1937 shall be returned to applicant and cancelled, and new shares issued

under the authority herein granted in place thereof.

2. Applicant shall file with the Commission a report, or reports, of the issue of the stock herein authorized and of the disposition of the proceeds, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted shall become effective upon the date hereof, but under such authority no stock may be issued after June 30, 1939.

DATED at San Francisco, California, this 23^d day of January, 1939.

James R. Sullivan
Ray L. Kelly
W. H. H. H.
Justus J. Cameron
COMMISSIONERS.