

Decision No. 32799

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of the MURRIETA VALLEY ELEVATOR  
COMPANY, a corporation, for an order  
authorizing applicant to enter into  
a lease of its property and to sell  
and dispose of a portion of its  
assets.

Application No. 23272

BY THE COMMISSION:

O P I N I O N

This is an application by Murrieta Valley Elevator Company, a corporation, for an order authorizing it to make, execute and enter into a lease and an agreement providing for the transfer and assignment of its properties and operations.

Murrieta Valley Elevator Company is a corporation organized under the laws of the State of California, on or about April 8, 1918, with an authorized capital stock of \$25,000, divided into 500 shares of the par value of \$50 each. Heretofore it has issued and sold \$15,500 par value of stock, pursuant to authority granted by the Commission, and has found it necessary to levy four separate assessments upon its stockholders, as a result of which it received the sum of \$4,650.50 and reacquired \$6,100 par value of stock by reason of the failure of some stockholders to pay assessments. At present stock of the par value of \$9,450 is outstanding.

The company is, and for some time has been, engaged in the selling of farming machinery, equipment and feed, and, to a smaller extent, in the general storage, warehouse and cleaning business in the City of Murrieta, Riverside County, the principal commodities handled being wheat and barley. For the last three calendar years it has reported

its revenues and expenses as follows:-

<u>Revenues</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>
Storage revenue	\$ 641.27	\$ 435.88	\$ 951.99
Revenues for services incidental to warehouse operations	1,060.95	1,131.52	917.55
All other revenue	<u>7,190.86</u>	<u>5,447.53</u>	<u>3,853.86</u>
Total revenues	<u>\$8,893.08</u>	<u>\$7,014.93</u>	<u>\$5,723.40</u>
 <u>Expenses</u>			
Warehouse operating expenses	\$2,072.32	\$2,253.90	\$2,566.72
Nonoperating expenses	4,860.74	4,738.35	4,212.70
Interest, etc.	<u>468.00</u>	<u>232.48</u>	<u>221.35</u>
Total expenses	<u>\$7,401.06</u>	<u>\$7,224.73</u>	<u>\$7,000.77</u>
Profit for year	<u>\$1,492.02</u>	<u>\$ (209.80)</u>	<u>\$(1,277.37)</u>

The company alleges that its elevator building was located adjacent to the right of way of The Atchison, Topeka & Santa Fe Railway Company and that by reason of the abandonment by the railway company of its line through Murrieta, it has lost the greater portion of its bulk grain storage business and has been unable to carry on and conduct its storage and cleaning business at a profit.

Applicant reports that on or about December 15, 1939 it received from A. Z. Howard and B. H. Barnett, co-partners doing business under the name and style of Howard and Barnett, at Corona, an offer to lease its elevator building and equipment and to purchase its existing stocks of grain, machinery, repair parts and supplies.

The proposed indenture of lease, a copy of which is attached to the application, runs for a period of five years from February, 1940, and provides for a monthly rental of \$75, payable monthly in advance. It grants to the lessees the option and privilege of purchasing the demised properties at any time during the term of the lease, or any renewal thereof, at and for the sum of \$10,000 in cash. The proposed agreement, a copy of which also is attached to the application, provides

for the sale by applicant to Howard and Bennett for \$3,591.69 of certain personal properties consisting of trucks, machinery, scales, tools, parts, supplies and stocks of grain.

In the indenture of lease, the lessees, Howard and Barnett, agree that they will, at all times during the term of the lease, comply with, perform and obey all laws, rules and regulations of the County of Riverside or of the Railroad Commission or of any other governmental authority affecting, controlling or regulating the premises or the business.

From the application filed here, it is our understanding that lessees will continue the public utility service now performed by Murrieta Valley Elevator Company at and under the same rates, rules and regulations. An order in accordance with applicant's request, therefore, will be entered.

#### ORDER

Murrieta Valley Elevator Company having applied to the Railroad Commission for an order authorizing it to make, execute and enter into a lease and an agreement, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted, as herein provided,

IT IS HEREBY ORDERED that Murrieta Valley Elevator Company be, and it hereby is, authorized to make, execute and enter into an indenture of lease and an agreement, in, or substantially in, the same form as those filed with the application herein, and, pursuant to the terms of said indenture of lease and agreement, to lease, assign and transfer its public utility properties and operations to A. Z. Howard and B. E. Barnett, co-partners doing business under the firm name and style of

Howard and Barnett, provided however-

1. That Murrieta Valley Elevator Company and Howard and Barnett shall join in common supplement to the tariffs now on file with the Railroad Commission by Murrieta Valley Elevator Company, said company, on the one hand, withdrawing from and Howard and Barnett, on the other hand, adopting and establishing as their own, said tariffs and all effective supplements thereto; and

2. That the authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 13<sup>th</sup> day of February, 1940.

Ray L. Berry  
Frank Brown  
Roger Bradford  
W. H. M. M.  
John J. Greene  
COMMISSIONERS.