

Decision No. 37247

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

NORTHERN COUNTIES WAREHOUSE,
a corporation, and

EL NORTE WAREHOUSE, INC., a
corporation,

for permission to said applicants to enter into and execute a lease from Northern Counties Warehouse, of its warehouse property in Napa, California, to El Norte Warehouse Inc., and to sell and buy equipment, and for Order authorizing El Norte Warehouse Inc. to sell and issue 3500 shares of its capital stock at par for cash, without deduction for commission.

ORIGINAL

Application
No. 26275

BY THE COMMISSION:

O P I N I O N

Northern Counties Warehouse, a corporation, hereinafter sometimes referred to as lessor, owns and operates in the City of Napa a bonded warehouse for the storage of liquor. The lessor asks permission to lease its warehouse building and to sell its warehouse equipment other than office furniture to El Norte Warehouse Inc., a corporation, organized on July 19, 1944 under the laws of the State of California. El Norte Warehouse Inc., hereinafter sometimes referred to as lessee, asks permission to issue, at par, 3,500 shares of common stock at the par value of \$10 per share and use the proceeds for the purposes hereinafter stated.

A copy of the lease is filed in this application as Exhibit "A." The lessee agrees to pay the lessor for the lease \$3,400 and a monthly rental of \$425 for a period of ten years, the first payment being due September 1, 1944. The lessee further agrees to pay lessor for its personal property described in the lease \$29,831.65. Of this sum \$14,400 is payable in cash and the remainder in two semi-annual payments of \$7,715.82 each, without interest.

The lessee, as stated, asks permission to issue at par \$35,000 par value of capital stock and desires to use the proceeds to pay organization expenses of \$1,000, including attorney's fees, filing fees, and office supplies, to make a payment of \$3,400 on the lease and a payment of \$14,400 on personal property. The remainder of the proceeds it desires to use to pay operating expenses and the maintenance of service. Applicant's petition does not contain sufficient facts to warrant the issue of \$35,000 of stock. The Order herein will authorize El Norte Warehouse Inc. to issue \$25,000 of stock, at par, and indicate purposes for which stock proceeds may be used. J. Lamar Butler will acquire \$10,000 of said stock, Violet Butler \$7,500, and J. R. Wilson \$7,500. J. Lamar Butler will be lessee's manager.

El Norte Warehouse Inc. will engage in a bonded warehouse business similar to that conducted by lessor. It will adopt the rates of lessor.

O R D E R

The Commission having considered the request of Northern Counties Warehouse and El Norte Warehouse Inc. 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 the stock herein authorized is reasonably required by El Norte Warehouse Inc. 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, and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED as follows:

1. Northern Counties Warehouse and El Norte Warehouse Inc. may execute a lease similar in form to the lease filed in this application as Exhibit "A."

2. El Norte Warehouse Inc. may, on or before June 30, 1945, issue and sell, at not less than par, \$25,000 par value of its common capital stock and use the proceeds for the following purposes:

- (a) Pay organization expenses not exceeding \$1,000.
- (b) To make payment on lease, \$3,400.
- (c) To pay in part for the personal property described in this application, \$14,400.
- (d) For working capital and the acquisition of additional properties not exceeding \$6,200.

3. Immediately upon the leasing of the property involved, Northern Counties Warehouse and El Norte Warehouse Inc. shall, on not less than five days' notice to the Commission and to the public, supplement or reissue the tariffs on file with the Commission, insofar as they name rates, rules and regulations governing warehouse operations of Northern Counties Warehouse at Napa, to show that Northern Counties Warehouse has withdrawn or cancelled and that El Norte Warehouse Inc. has concurrently adopted or established as its own said rates, rules and regulations; and

that the tariff filings made pursuant to this Order shall in all other respects comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

4. El Norte Warehouse Inc. shall file with the Railroad Commission a report or reports required by the Commission's General Order No. 24-A, which general order insofar as applicable is made a part of this Order.

5. Within thirty (30) days after the execution of the lease herein authorized, El Norte Warehouse Inc. shall file with the Railroad Commission a true and correct copy of said lease.

6. This application, insofar as it involves the issue of \$10,000 of stock is hereby dismissed without prejudice.

7. The action taken herein shall not be construed as a finding of value for any purpose other than the proceeding herein involved.

8. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 15th day of August, 1944.

Richard Kachse
Justus P. Caswell
Francis D. Havens
Frank D.
Commissioners