

ORIGINAL

Decision No. 37704

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

LE GRAND ELEVATOR ASSOCIATION

for a permit authorizing the issuance of stock and for the approval of the transfer of assets of expired corporation to the reorganized Le Grand Elevator Association.

Application
No. 26581

BY THE COMMISSION:

OPINION

The Trustees of Le Grand Grain Elevator Association, whose charter expired in 1943, ask permission to transfer the warehouse and other properties and business formerly owned by said corporation to Le Grand Elevator Association, a corporation organized on or about February 14, 1944.

The Le Grand Elevator Association has an authorized stock issue of ten shares without par value. Its articles of incorporation provide that its stock certificates shall not be transferable without the prior consent of the Board of Directors. "If any stockholder desires to transfer the stock held by him in this corporation, he shall petition the board of directors for approval of such transfer, naming the transferee, and within

thirty (30) days thereafter, the board of directors must either (1) approve the transfer of the stock and authorize the re-issuance thereof to the transferee, or (2) the corporation must purchase the said stock at the price or value of the shares as determined by the stockholders at the next preceding annual meeting, which price was thereafter adopted by the board of directors, such purchase price to be paid from the earned surplus of the corporation."

Le Grand Elevator Association was organized by the stockholders of Le Grand Grain Elevator Association. The new corporation asks permission to issue to the Trustees in payment for the properties and business formerly owned by Le Grand Grain Elevator Association eight shares of stock and assume all of its liabilities. One share of stock will be delivered to each of the former stockholders of Le Grand Grain Elevator Association.

The Trustees report as of December 31, 1944, assets and liabilities as follows:

<u>Assets</u>		
Fixed Assets		\$16,780.06
Cost of Fixed Assets	\$37,749.81	
Less Reserve for Depreciation	20,969.75	
Current Assets		43,684.54
Cash on Hand and in Banks	5,959.99	
Accounts Receivable	13,233.35	
Inventory -- Merchandise	24,491.20	
Total Assets		<u>\$60,464.60</u>
<u>Liabilities</u>		
Capital Stock		\$16,000.00
Current Liabilities		28,765.09
Notes Payable - Bank	\$ 7,000.00	
Notes Payable - Members	5,675.81	
Accounts Payable	13,925.62	
Accrued Taxes	2,163.66	
Surplus		<u>15,699.51</u>
Total Liabilities		<u>\$60,464.60</u>

For 1944, Trustees did a gross business of \$230,582.53. This includes \$4,115.23 of storage revenue. Their net profit for 1944 amounted to \$6,203.16.

Le Grand Elevator Association will adopt all of the rates that Le Grand Grain Elevator Association and its Trustees now have on file with the Commission. It intends to operate the properties in the same manner and under the same management as the former owners.

O R D E R

The Commission having considered applicants' requests 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 eight shares of capital stock by Le Grand Elevator Association is reasonably required by said Association for the purposes herein stated; that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, therefore,

IT IS HEREBY ORDERED as follows:

1. The Trustees of Le Grand Grain Elevator Association may, on or before April 30, 1944, transfer to Le Grand Elevator Association all of its properties and business, and Le Grand Elevator Association may, in payment for said properties and business, issue eight shares of stock, without par value, and assume all of their liabilities.

2. Applicants, on not less than five (5) days' notice to the Commission and to the public, shall supplement or re-issue the tariffs on file with the Commission in so far as they name rates, rules and regulations governing warehouse operations at Le Grand, California, to show that said Trustees have withdrawn or cancelled and Le Grand Elevator Association 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.

3. Le Grand Elevator Association shall file a report required by the Commission's General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

4. The authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 6th day of March, 1945.

Edward Anderson
Justice F. Coe
Richard Lusk
Thomas Clark
Irving Paucek
Commissioners