

Decision No. 37803

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of CLARENCE A. GARDNER and JOHN L. BEACH, co-partners, doing business under the firm name and style of GARDNER & BEACH, for authority to sell all of its grain warehouses and equipment and to withdraw from the hay and grain warehouseman's business, and Application of SAN BENITO COUNTY FEED AND WAREHOUSE COMPANY, a California corporation, for authorization to purchase said grain warehouses and equipment, to engage in the feed, hay and grain warehouseman's business and for authority to issue its capital stock.

Application
No. 26669

BY THE COMMISSION:

O P I N I O N

Clarence A. Gardner, sole surviving partner of Clarence A. Gardner and John L. Beach, co-partners, doing business under the firm name and style of Gardner & Beach, asks permission to sell the public warehouse properties described in the agreement on file in this application as Exhibit B to San Benito County Feed and Warehouse Company, a corporation. It asks permission to issue at par \$200,000 par value of common stock for the purposes hereafter mentioned.

Gardner & Beach have since May 26, 1942, been engaged in the feed, hay, grain and warehouse business in Hollister and Tres Pinos, San Benito County, California. John L. Beach is

deceased and Clarence A. Gardner by reason of ill health cannot personally manage the business. He has therefore concluded to sell the properties and business of the partnership to San Benito County Feed and Warehouse Company.

Patrons of the partnership have caused to be organized San Benito County Feed and Warehouse Company. It has an authorized stock issue of 200 shares of the par value of \$1,000 each and the aggregate par value of \$200,000. It has agreed to pay \$54,000 for the real estate, warehouses and equipment of the partnership, \$83,143.86 for merchandise inventory on hand and about \$48,000 for accounts receivable. Stock in excess of \$150,000 has been subscribed and paid for. The stock proceeds will be used to pay for the real estate, warehouses, and equipment, for merchandise inventory, accounts receivables and for the improvement and maintenance of service.

The company will adopt the rates, rules and regulations under which Gardner & Beach now conduct the warehouse business.

ORDER

The Commission having considered applicants' requests and it being of the opinion that a hearing is not necessary on this application, that the money, property or labor to be procured or paid for by San Benito County Feed and Warehouse Company through the issue of \$200,000 of stock is reasonably necessary for the purposes herein stated and that the expenditures for said purposes are not in whole or in part reasonably chargeable to operating expenses or income, therefore,

IT IS HEREBY ORDERED as follows:

1. Clarence A. Gardner, sole surviving partner of Clarence A. Gardner and John L. Beach, co-partners, doing business under the firm name and style of Gardner and Beach, may, on or before June 30, 1945, sell to San Benito County Feed and Warehouse Company the properties described in the agreement filed in this application as Exhibit B and assign the lease referred to therein.

2. San Benito County Feed and Warehouse Company may, on or before December 31, 1945, issue and sell for cash at not less than par \$200,000 par value of common stock and use the proceeds for the following purposes:

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|----|--|-------------|
| a) | to pay for the properties
described in said Exhibit B | \$54,000.00 |
| b) | to pay for merchandise on
hand about | 83,143.86 |
| c) | to pay for accounts re-
ceivable about | 48,000.00 |
| d) | to maintain and improve
service about | 14,856.14 |

3. Immediately upon the transfer of the property involved Clarence A. Gardner as sole surviving partner of Clarence A. Gardner and John Beach, co-partners, and San Benito County Feed and Warehouse Company, shall on not less than five (5) days' notice to the Commission and to the public supplement or reissue the tariffs on file with the Commission in so far as they name rates, rules and regulations governing warehouse operations of said Clarence A. Gardner to show that he has withdrawn or cancelled and that San Benito County Feed and Warehouse Company 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. San Benito County Feed and Warehouse Company shall file with the Railroad Commission reports required by the Commission's General Order No. 24-A, which order in so far as applicable is made a part of this order.

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

Dated at San Francisco, California, this 1st day of May, 1945.

David Anderson
Justice F. C. ...
Richard ...
Francis ...
Frank ...
Commissioners