

Decision No. 38597

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of

W. J. SCNEIDER to sell and
STRATFORD WAREHOUSE COMPANY, a
Corporation, to purchase the
STRATFORD WAREHOUSE at Stratford,
Kings County, California.

Application:
No. 27173

BY THE COMMISSION:

O P I N I O N

This is an application, made by W. J. Schneider, Bank of America National Trust and Savings Association and Stratford Warehouse Company, a corporation, for an order authorizing the transfer of warehouse properties located at Stratford, Kings County, to Stratford Warehouse Company, a corporation, and the issue by the corporation of \$15,000 of common stock.

It appears that W. J. Schneider, doing business under the name of Stratford Warehouse Company, has been engaged in operating a grain warehouse business. The present application shows that acting for and on behalf of Bank of America National Trust and Savings Association he purchased the properties, at a sheriff's sale, on May 18, 1937; that although title stands in

his name the said bank is the equitable owner of the properties; and that the operations have been conducted for the sole and exclusive benefit of the bank. (1)

It is set forth in the application that the Bank and W. J. Schneider have been attempting to dispose of the warehouse properties and business and that on December 1, 1945, they entered into an agreement to sell the same to Stratford Warehouse Company, a corporation, for the sum of \$15,000, payable in cash. The properties to be thus sold consist of a frame iron-clad building with a total area of 25,920 square feet, together with spur track, sidings and switches, all located on the right-of-way of the Southern Pacific, and fixtures, scales, trucks, pilers, cleaning, sorting and seed treating equipment, office furniture, accounts and rentals receivable and stock in trade. The original cost of the physical properties is reported at \$36,906.94 and the estimated present value at \$15,000.

Stratford Warehouse Company proposes to sell \$15,000 par value of its stock to its officers in order to obtain the necessary cash to consummate the purchase. In addition, it will assume and pay the presently outstanding liabilities.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the requests of applicants should be granted.

(1) Prior to May 18, 1937, the Stratford Warehouse had been operated by A. C. Mohr. His tariff filed with the Commission, naming rates, rules and regulations, has never been canceled. A new tariff was filed by W. J. Schneider when he took over the operations. The order will cancel the tariff filed by A. C. Mohr.

The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved. In accounting for the acquisition of the properties Stratford Warehouse Company should set up its books to reflect the ledger balances, for the properties transferred, of the present owner.

O R D E R

Application having been made to the Commission for an order authorizing the transfer of properties and the issue of stock, and the Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. W. J. Schneider and Bank of America National Trust and Savings Association may, on or before March 31, 1946, sell and transfer to Stratford Warehouse Company, a corporation, the warehouse properties referred to in the foregoing opinion, such sale and transfer to be made in accordance with the terms of the agreement of sale, dated December 1, 1945, filed in this proceeding as Exhibit "A".

2. Stratford Warehouse Company, on or before March 31, 1946, may issue and sell, at par, \$15,000 of its common stock for the purpose of financing the purchase price of said warehouse properties.

3. Immediately upon the transfer of the properties under the authority herein granted, W. J. Schneider and Stratford Warehouse Company shall, on not less than five days' notice to the Commission and to the public, supplement or reissue the tariff on file with the Commission in so far as it names rates, rules and regulations governing operations by W. J. Schneider at the warehouse involved in this proceeding, to show that he has withdrawn or cancelled and that Stratford Warehouse Company, a corporation, concurrently, has adopted or established as its own, said rates, rules and regulations, such tariff filing in all respects to comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

4. Stratford Warehouse Company shall file with the Commission a report, or reports, as required by the Railroad Commission's General Order No. 24-A.

5. Warehouse Tariff No. 3, C.R.C. No. 3, of A. C. Mohr, doing business as Stratford Warehouse Company, is hereby canceled.

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

Dated at San Francisco, California, this 15th day of January, 1946.

Harold Anderson
Justus F. Coakley
Francis E. ...
Lyndell F. ...
Harriet P. ...
Commissioners