

ORIGINAL

Decision No. 39561

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
Imperial Ice Company for order	:	Application
authorizing issue of 258 shares of	)	No. 27912
the capital stock of the company.	:	
-----	)	

O P I N I O N

This is an application by Imperial Ice Company for authority to issue, at par, 258 shares of its common capital stock, of the aggregate par value of \$25,800, for the purpose of paying outstanding indebtedness.

The application shows that Imperial Ice Company is a corporation organized under the laws of the State of California on or about November 2, 1905. Applicant has an authorized stock issue of \$100,000 divided into 1,000 shares of the par value of \$100 each. Stock in the amount of \$72,800 is now outstanding. It appears that applicant has been engaged in the manufacture, purchase and distribution of ice in and about Ocean Park, Venice and Santa Monica, and that during 1946 it added to its facilities in Santa Monica, four cold storage rooms containing 42,000 cubic feet of storage space. In July, 1946, it filed with this Commission its tariffs naming rates for service by it as a public utility cold storage warehouseman.

In Exhibit "B" the company reports its revenues for the eight months ending August 31, 1946, at \$62,807.59, including cold storage revenues of \$2,698.24, and its operating expenses at \$45,636.54, including cold storage expenses of \$1,295.59, leaving

a balance for the period of \$17,171.05. It reports its assets and liabilities, as of September 1, 1946, as follows:

Assets

Cash on hand and in bank		\$ 3,247.86
Accounts receivable		3,036.26
Inventories		1,310.82
Fixed assets:		
Land	\$ 47,295.46	
Ice, office and locker plant, buildings and equipment	113,166.58	
Cold storage plant, buildings and equipment	60,487.39	
Miscellaneous tools, auto and equipment	10,170.66	
Sub-total	<u>231,120.09</u>	
Less: reserves for depreciation	<u>23,068.60</u>	208,051.49
Deferred charges		<u>2,113.32</u>
		<u>\$217,759.75</u>
	Total assets	

Liabilities

Current and accrued liabilities		\$ 29,359.94
Notes payable-secured		65,823.01
Distributors guarantee bond		500.00
Deferred credits		1,697.03
Net worth:		
Capital stock	\$74,200.00	
Surplus	<u>46,179.77</u>	<u>120,379.77</u>
	Total liabilities	<u>\$217,759.75</u>

The company reports that it has outstanding indebtedness incurred in the construction and installation of its cold storage facilities and that it has need for additional funds to complete the plant and equipment. Accordingly it desires to use the proceeds to be received from the \$25,800 of stock covered by this application for the following purposes:

To pay outstanding accounts payable:		
A.B.C. Electric Company	\$ 2,195.22	
Kohlenberger Engineering Company	4,691.27	
Schuck Construction Company	5,171.90	
To pay J. F. Pritchard & Company for a cooling tower now under construction	9,715.00	
For miscellaneous construction	<u>4,026.61</u>	
	Total	<u>\$25,800.00</u>

The remainder of the funds used in the construction and acquisition of the cold storage property was obtained from company funds and bank borrowings. It is reported that the \$25,800 of stock covered by the present application will be purchased by applicant's present stockholders.

### O R D E R

Imperial Ice Company having applied to the Railroad Commission for permission to issue stock and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, that the request of applicant should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of such stock 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. Imperial Ice Company, after the effective date hereof and on or before April 30, 1947, may issue and sell at par, 258 shares of its common capital stock and use the proceeds to pay indebtedness and to finance the cost of its cold storage properties and equipment to which reference is made in the preceding opinion.
2. Imperial Ice Company shall file a report, or reports, of the issue of the stock herein authorized and of the disposition of the proceeds, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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

Dated at San Francisco, California, this 29<sup>th</sup> day of October, 1946.

Harold J. Kula  
Justin F. Casper  
Francis D. ...  
Irving S. Powell  
Commissioners