

Decision NO. 39768

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of)
 MODERN ICE & COLD STORAGE CO., a)
 co-partnership, for authority to)
 sell all of its public utility)
 properties.)
 -----)

ORIGINAL

Application
No. 28026

O P I N I O N

In this application as amended, Modern Ice & Cold Storage Co., a co-partnership, owned by Wm. F. Giacomazzi, Elven Giacomazzi, James C. Wagner and C. C. Cottrell, asks permission to sell all of its properties and business to Modern Ice & Cold Storage Co., a corporation. The corporation asks permission to issue in payment for such properties \$300,000 par value of its capital stock and assume the liabilities of the co-partnership.

The co-partnership is engaged in the cold storage warehouse business in San Jose. For 1943 it reports operating revenues of \$98,072.24, for 1944 \$187,032.36, and for 1945 \$311,764.42. Its net income before income taxes is reported at \$31,242.27 for 1943, at \$92,196.08 for 1944, and at \$143,007.67 for 1945.

As of August 31, 1946, the assets and liabilities of the co-partnership are reported as follows:

Assets

Fixed capital		\$507,586.65
Land	\$ 15,259.60	
Buildings and fixtures	348,292.61	
Machinery and equipment	214,516.88	
Furniture and fixtures	5,104.00	
Other property and equipment	10,499.55	
Sub-total	593,672.64	
Less: Reserve for depreciation	86,085.99	
Current assets		81,675.99
Cash on hand and in bank	\$ 26,482.40	
Accounts receivable	54,706.76	
Materials and supplies	486.83	
Prepayments		<u>5,421.18</u>
Total assets		<u>\$594,683.82</u>

Liabilities

Long term debt		\$250,000.00
Current liabilities		45,578.14
Accounts payable	\$ 35,398.04	
Wages payable	2,542.68	
Accrued liabilities	7,637.42	
Net worth		<u>299,105.68</u>
Total liabilities		<u>\$594,683.82</u>

The last annual report of Modern Ice & Cold Storage Co. shows that Wm. F. Giacomazzi has a 25% interest, Elven Giacomazzi a 25% interest, James C. Wagner a 42.85% interest, and C. C. Cottrell a 7.143% interest in the partnership. Through the transfer of the properties the members of the co-partnership will change their status to stockholders. They will receive shares of stock of the corporation in proportion to the interest they hold in the partnership.

The transfer of the properties does not involve any change in the rates, rules and regulations of Modern Ice & Cold Storage Co.

O R D E R

The Commission has considered applicants' request and is 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 Modern Ice & Cold Storage Co., a corporation, for the purpose herein stated, that the expenditures for said purpose 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. Modern Ice & Cold Storage Co., a co-partnership composed of Wm. F. Giacomazzi, Elven Giacomazzi, James C. Wagner and C. C. Cottrell may, after the date hereof and on or before January 31, 1947, sell and transfer all of its properties to Modern Ice & Cold Storage Co., a corporation.
2. Modern Ice & Cold Storage Co., a corporation, may, after the date hereof and on or before January 31, 1947, issue in payment for the properties and business of Modern Ice & Cold Storage Co., a co-partnership, \$300,000 of its capital stock and assume all of the liabilities of Modern Ice & Cold Storage Co., a co-partnership.
3. Prior to or concurrently with the transfer of the properties involved, applicants shall on not less than one (1) day's notice to the Commission and to the public, supplement or reissue the tariff on file with the Commission insofar as it names rates, rules and regulations governing warehouse operation

of Modern Ice & Cold Storage Co., a co-partnership, to show that Modern Ice & Cold Storage Co., a co-partnership, has withdrawn or canceled and that Modern Ice & Cold Storage Co., a corporation, has concurrently adopted or established as its own said rates, rules and regulations. 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. Within thirty (30) days after the transfer of said properties, Modern Ice & Cold Storage Co., a corporation, shall file with the Commission a copy of the deed or other instrument of conveyance under which it has acquired and holds title to said properties, and a statement showing the number of shares of stock issued under the authority herein granted, and number of shares of stock held by each of said partners.

Dated at San Francisco, California, this 23rd day of December, 1946.

Harold P. Kule
Justus J. Coe
Frank W. Dwyer
W. H. Powell
A. J. [unclear]
 Commissioners