

ORIGINAL

Decision No. 41168

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
	:	
of)	
	:	
ICE SICKLE FROZEN FOODS, INC.)	Application
a corporation,	:	No. 28958
)	
For a Permit to Issue and Sell	:	
Its Shares)	
-----	:	

O P I N I O N

In this application, Ice Sickle Frozen Foods, Inc. has applied to the Public Utilities Commission for authority to issue 632 shares of stock, of the aggregate par value of \$63,200, in payment for properties as hereinafter set forth.

The application shows that L. A. Van Sickle and Floyd P. Berkenkamp acquired certain real property in Fresno and constructed certain facilities for the freezing of fruits, vegetables and poultry and for the cold storage of such commodities, and that thereafter they caused the organization of Ice Sickle Frozen Foods, Inc., applicant herein, and transferred such properties and facilities to it. The company was incorporated on or about March 25, 1946, with an authorized capital stock of 5,000 shares of the par value of \$100 each.

It is reported that the corporation began doing business on May 15, 1947, with the purpose of operating as a private warehouseman. From May 15 to September 30, 1947, its revenues

from freezing and storage amounted to \$15,828.04 and from handling services and miscellaneous rentals, to \$641.60, a total of \$16,469.64, and its expenses aggregated \$9,367.48, leaving a net profit for the period of \$7,102.16. Its assets and liabilities, as of September 30, 1947, are reported in Exhibit "C" as follows:

Assets

Current assets -			
Cash on hand and in bank	\$	4,934.56	
Accounts receivable		<u>469.96</u>	
Total current assets			\$ 5,404.52
Permanent assets -			
Land		16,300.00	
Buildings		87,228.60	
Machinery and equipment		35,039.22	
Furniture and fixtures		<u>164.09</u>	
		138,731.91	
Less: Reserves for depreciation		<u>1,050.15</u>	
Total permanent assets			137,681.76
Prepaid insurance			<u>793.71</u>
Total			<u>\$143,879.99</u>

Liabilities

Current liabilities -			
State and other taxes	\$	219.10	
Income tax (estimated)		<u>1,000.00</u>	
Total current liabilities			\$ 1,219.10
Deferred liabilities -			
Notes to Bank of America and R.F.C.		62,358.73	
Notes to Fresno Berry Growers Ass'n.		<u>10,000.00</u>	
Total deferred liabilities			72,358.73
Capital and surplus -			
Capital		63,200.00	
Surplus		<u>7,102.16</u>	
Total capital and surplus			<u>70,302.16</u>
Total			<u>\$143,879.99</u>

Applicant reports that the assets shown on the balance sheet, except land, are set up at their actual cost of purchase or construction, less accrued depreciation, and the land at its estimated value. The properties were financed, in part, with

moneys borrowed from Bank of America National Trust and Savings Association, the Reconstruction Finance Corporation and Fresno Berry Growers Association.

The loan from the bank, in conjunction with the Reconstruction Finance Corporation, originally was in the amount of \$65,000, of which 25% was subscribed by said bank in the amount of \$16,250 at 5% interest, and 75% was subscribed by said corporation in the amount of \$48,750 at 4% interest. Said amounts were evidenced by notes, calling for total monthly repayments at the rate of \$1,000, secured by a deed of trust and a chattel mortgage, dated June 13, 1947, on the properties, the single security running to both lenders.

The loan from Fresno Berry Growers Association for \$10,000 was obtained to assist in the insulation of a portion of the building which now is in use, a part of which is leased to said association. The amount is represented by a note dated January 14, 1947, secured by a second deed of trust subordinated to the lien of the \$65,000 loan made by the Bank of America and the Reconstruction Finance Corporation. The note is payable in annual installments of \$2,500 commencing July, 1948, with interest at the rate of 4%, such payments to be made not in cash but through freezing and storage services to be rendered by applicant to the association.

During 1947 applicant concluded to engage in the public utility cold storage business in addition to its freezing and private storage operations. On October 8, 1947, it filed with the Commission its tariff, effective October 10, 1947, naming rates for cold storage, and on October 15, 1947, it

commenced its public utility operations. The application shows that it is now actively engaged in such business.

It appears that the corporation to date has not issued any of its stock. It is reported that L. A. Van Sickle and Floyd P. Berkenkamp financed the purchase of the land and the construction of a portion of the improvements with their personal funds, which are indicated on the balance sheet in the amount of \$63,200, and that they transferred such properties to the corporation with the intention of receiving stock in exchange. This application accordingly has been made for the necessary authority to enable the corporation to issue the stock and to complete the transaction.

Upon the basis of the information submitted in this proceeding an order of the Commission authorizing the issue of \$63,200 of stock is warranted. The authority thus granted, however, is not to be construed to be a finding of value of the properties referred to herein.

O R D E R

The Public Utilities Commission having considered the above entitled application 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 by Ice Sickle Frozen Foods, Inc. of \$63,200 par value of stock is reasonably required for the purpose set forth herein, which purpose is not, in whole or in part, reasonably chargeable to operating

expenses or to income,

IT IS HEREBY ORDERED as follows:

1. Ice Sickle Frozen Foods, Inc., after the effective date hereof and on or before May 31, 1948, may issue not exceeding 632 shares of its stock of the aggregate par value of \$63,200 for the purpose of financing in part the acquisition of the properties referred to in the preceding opinion and in this application.
2. Applicant shall file with the Commission a report, or reports, of the issue of said stock as required by 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 twenty (20) days from the date hereof.

Dated at San Francisco, California, this 27th day of January, 1948.

R. F. [Signature]

[Signature]
[Signature]

Commissioners