

ORIGINAL

Decision No. 41972

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
	:	
of)	Application
	:	No. 29627
EL REY MILLING CO., a corporation,)	
for Order Authorizing Issue of	:	
Stocks.)	
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O P I N I O N

In this application, El Rey Milling Co., a California corporation, asks permission to issue and sell for the purposes hereafter stated, at \$100 a share, 2,000 shares of its stock.

Applicant filed its Articles of Incorporation with the Secretary of State on July 13, 1948. It has an authorized stock issue of \$200,000, divided into 2,000 shares of the par value of \$100 per share.

Applicant intends to engage in the business of a public utility warehouseman in King City, California, in cleaning and storing grain for the ranchers in that area, in buying and selling grain, and in buying and selling seeds, sacks and other farm supplies.

Applicant proposes to use the stock proceeds for the following purposes:

To buy warehouse properties and equipment from Roy Bray and J. D. Kenner	\$ 57,500
To make repairs and replacements to building and equipment	75,000
To purchase merchandise and inventory	25,000
To buy and sell grain	25,000
To improve and maintain its service	<u>17,500</u>
Total	<u>\$200,000</u>

The warehouse properties and equipment were formerly owned by Southern Pacific Milling Company. It canceled its warehouse tariffs at King City. Applicant is paying for the warehouse properties and equipment the same amount which Roy Bray and J. D. Kenner paid the Milling Company.

Applicant's stock will be sold to ranchers and prospective customers, who have orally agreed to buy shares of applicant's stock. No brokerage fees or commissions will be paid in connection with the sale of the stock.

O R D E R

The Commission having considered this application and it being of the opinion that there is no need to hold a hearing thereon, that the money, property or labor to be procured or paid for through the issue of \$200,000 of stock by El Rey Milling Co. is reasonably required by said El Rey Milling Co. for the purposes herein stated, that said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. El Rey Milling Co. may, on or before December 31, 1948, issue and sell for the purposes stated in the foregoing opinion, at not less than \$100 per share, not exceeding 2,000 shares of its stock.

2. El Rey Milling Co. shall file with the Commission, on or before January 31, 1949, a report showing the number of

shares of stock issued and sold under the authority herein granted, the names of the persons to whom said shares were sold, the number of shares sold to each person, the consideration received per share, and the purposes for which applicant has or will expend the stock proceeds.

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

Dated at San Francisco, California, this 24th day of August, 1948.

R. B. Dineen
Justin A. Casner
Irving Lawrence
Harold Hills
Samuel G. Potter
Commissioners