

CONFIDENTIAL

Decision No. 42228

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of	:	
	)	
SAN JOAQUIN ELEVATOR AND SUPPLY	:	
COMPANY, a corporation,	)	Application
	:	No. 29796
For a Permit to Issue and Sell	)	
its Securities.	:	
-----	)	

OPINION AND ORDER

This is an application for an order of the Public Utilities Commission authorizing San Joaquin Elevator and Supply Company to issue 1,296 shares (\$129,600 par value) of its common stock in payment for the properties of Emil F. Schramm, F. H. Waechter and Wm. E. Glotz, hereinafter referred to as Partners.

The application shows that said Partners, doing business under the name of San Joaquin Elevator, for several years have been engaged in the business of buying, selling, storing and milling grain in San Joaquin, Fresno County. A summary of their revenues and expenses, as reflected in Exhibit "C" attached to the application, is as follows:

	<u>12 Months Ending</u>		<u>3 Months</u>
	<u>6-30-47</u>	<u>6-30-48</u>	<u>Ending</u>
			<u>9-30-48</u>
Sales	\$ - -	\$ 11,127.13	\$4,729.08
Less- cost of goods sold	- -	10,914.46	4,609.10
Balance	- -	212.67	119.98
Storage charges	3,721.96	2,647.92	7,485.17
Other revenues	621.01	2,220.68	2,221.07
Total revenues	4,342.97	5,081.27	9,826.22
Expenses	5,901.26	14,813.44	6,526.92
Net	<u>\$(1,558.29)</u>	<u>\$(9,732.17)</u>	<u>\$3,299.30</u>

The Partners now desire to incorporate their business and to that end have caused the organization, on or about August 24, 1948, of San Joaquin Elevator and Supply Company to take over their business and properties in exchange for \$129,600 par value of stock. A pro forma balance sheet, dated as of October 1, 1948, giving effect to the transfer of the properties and the issue of stock, is as follows:

<u>Assets</u>		
Cash		\$ 379.43
Accounts receivable		999.84
Inventory		6,684.42
Investments		100.00
Fixed assets -		
Cost to partners	\$148,315.73	
Less- depreciation	<u>9,489.85</u>	
Net		138,825.88
Land		1,000.00
Deposits on equipment and building		<u>3,200.00</u>
	Total assets	<u>\$151,189.57</u>
<u>Liabilities</u>		
Accounts payable		\$ 1,514.02
Notes payable		20,000.00
Payroll taxes withheld		75.55
Capital stock		<u>129,600.00</u>
	Total liabilities	<u>\$151,189.57</u>

Upon acquiring the properties, the corporation proposes to continue the business formerly carried on by the Partners and in addition will engage in the business of selling ranch supplies.

The Commission has considered this application and is of the opinion that a public hearing thereon is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of said \$129,600 of stock is reasonably required by San Joaquin Elevator and Supply Company for the purpose specified

herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Emil F. Schramm, F. H. Waechter and Wm. E. Glotz, after the effective date hereof and on or before December 31, 1948, may sell to San Joaquin Elevator and Supply Company, a corporation, the properties referred to herein and in this application.
2. San Joaquin Elevator and Supply Company, after the effective date hereof and on or before December 31, 1948, may purchase said property and, in part payment, issue not exceeding 1,296 shares of its common stock of the aggregate par value of \$129,600.
3. San Joaquin Elevator and Supply Company and the Partners shall, immediately upon the transfer of the properties under the authority herein granted, and on not less than five (5) days' notice to the Commission and to the public, supplement or reissue the tariff now on file with the Commission naming rates, rules and regulations governing warehouse operations of San Joaquin Elevator to give effect to said transfer, said tariff filings in all respects to comply with the regulations set forth in the Commission's General Order No. 61.
4. San Joaquin Elevator and Supply Company shall file a report of the issue of the \$129,600 of stock as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The action taken herein shall not be construed to be a finding of value of the properties herein authorized to be transferred.

6. The authority herein granted will become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 16<sup>th</sup> day of November, 1948.

James L. Sullivan  
Harold A. Hula  
Thomas J. Pittman

Commissioners