

ORIGINAL

Decision No. 44078

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )

of

TRACY WAREHOUSE CORPORATION

For Certificate authorizing  
it to sell its Securities

Application  
No. 31265

O P I N I O N

This application shows that Eugene E. Chase and L. S. Chase, and Carl E. Schmidt and Ruth L. Schmidt, are engaged in the public utility warehouse business and in the merchandising business in Tracy, doing business under the firm name and style of Tracy Warehouse. Their properties include certain real estate, a warehouse building, having a capacity of 26,660 square feet, and warehouse equipment. Their financial statement as of December 31, 1949 shows their net investment in their properties and assets at \$16,559 and a report filed in this proceeding shows the estimated present value of the land, building and equipment at \$48,500, with mortgages outstanding against the same of \$33,550, leaving a balance of \$14,950.

It appears that the present owners have caused the organization of Tracy Warehouse Corporation and have offered to transfer to it their warehouse properties in exchange for 165 shares of capital stock at a stated value of \$100 a share. The corporation seeks authority to issue said shares and also to issue and sell 30 shares for cash at \$100 a share to provide working capital.

The Commission has considered this matter and is of the opinion that on the basis of the record submitted it should not authorize more than 150 shares of stock, at \$100 a share, in payment for the properties to be transferred, instead of 165 shares as requested. The order herein will so provide.

O R D E R

The Commission having considered the above entitled matter and being 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 180 shares of stock is reasonably required by Tracy Warehouse Corporation for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Eugene E. Chase and L. S. Chase, and Carl E. Schmidt and Ruth L. Schmidt, after the effective date hereof and on or before July 31, 1950 may transfer their properties, as set forth in Exhibit B filed in this proceeding, to Tracy Warehouse Corporation, and said Tracy Warehouse Corporation, in payment for said properties, may assume the payment of outstanding indebtedness in the amount of approximately \$33,500.00 and may issue not exceeding 150 shares of its capital stock without par value.

2. Tracy Warehouse Corporation, after the effective date hereof, and on or before July 31, 1950 may issue and sell at \$100 a share, for cash, not exceeding 30 shares of its capital stock, in addition to the 150 shares herein authorized, for the

purpose of maintaining and improving its service and of providing working capital.

3. On not less than five (5) days' notice to the Commission and to the public, the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing warehouse operations of Tracy Warehouse shall be supplemented or reissued to show that Eugene E. Chase and L. S. Chase, and Carl E. Schmidt and Ruth L. Schmidt, have withdrawn, and that Tracy Warehouse Corporation has adopted or established as its own, said rates, rules and regulations. The tariff filings made pursuant to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

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

5. Tracy Warehouse Corporation shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

6. The effective date of this order is twenty (20) days from the date hereof.

Dated at San Francisco, California, this 25<sup>th</sup> day of April, 1950.

R. E. Anderson  
James J. Calver  
Robert F. Gull  
Harold Hule  
Ferneth Potter  
Commissioners