

ORIGINAL

Decision No. 44196

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
ELVA DE PUE MATTHEWS, dba DE PUE)
WAREHOUSE COMPANY, to sell certain)
warehouse property, located in)
Colusa County, California, at the)
town of Delevan, to MAXWELL-DELEVAN)
WAREHOUSE CORPORATION, a public)
utility.)
-----)

Application
No. 31251

In the Matter of the Application)
of)
MAXWELL-DELEVAN WAREHOUSE CORPORATION)
for an order and permit authorizing it)
to sell and issue its securities; to)
purchase from Elva De Pue Matthews)
certain warehouse property in Colusa)
County; to borrow \$50,000.00 from)
THE ANGLO CALIFORNIA NATIONAL BANK of)
SAN FRANCISCO and encumber said warehouse)
property as security therefor, and to)
erect additional facilities with the)
proceeds thereof.)
-----)

Amendment to
Application
No. 31251

O P I N I O N

This is an application for an order of the Commission authorizing Elva De Pue Matthews to sell certain warehouse properties located at Delevan, Colusa County, to Maxwell-Delevan Warehouse Corporation, and authorizing said corporation to issue \$55,000 par value of its common stock to finance the cost thereof and to provide working capital, and to issue a note for \$50,000, secured by a deed of trust and by a mortgage of chattels, to finance the cost of additions and improvements.

Elva De Pue Matthews owns and operates warehouses at Williams and other points and, in addition, owns a warehouse and

rice drier at Delevan which presently are operated by Ralph E. Lowe under a lease agreement terminating on September 30, 1950.⁽¹⁾ She reports that her main office is in Williams and that she finds it impossible to conduct warehouse operations at Delevan without incurring substantial costs. For this reason she has concluded to dispose of her Delevan properties and has made arrangements to sell the same, subject to the terms of the aforesaid lease, to Maxwell-Delevan Warehouse Corporation for the sum of \$50,000, of which \$5,000 has been paid on account. The properties include approximately two acres of land, a warehouse building with a capacity of 172,000 sacks of grain, a rice drier, cleaner, scales, sack pilers and other fixtures, tools, implements, appliances and equipment used in the operation of the business.

The corporation was organized under the laws of California on or about March 21, 1950, with an authorized capital stock of 2,000 shares of the par value of \$50 each. It proposes at this time to sell 1,100 shares, of the aggregate par value of \$55,000, to its incorporators to pay the balance of the purchase price and to provide funds to conduct the operations. The application shows that its incorporators, who also are its directors, are, and for many years have been, engaged extensively in farming operations in Colusa County and are experienced in warehouse, feed and rice drying operations. They feel that they can operate economically the warehouse to be acquired by the corporation and can increase the volume of business to be performed by the corporation by the storage of the rice and grain produced by them in the vicinity of the warehouse. It is of record

(1)

Applicant's 1949 annual report shows rent of \$3,500 received from Lowe for the public utility warehouse and land and of \$5,000 for the rice drier.

that the business will be continued under the same rates which are in effect at this time.

The corporation reports that it intends to enlarge and increase the facilities and service through the construction upon the real property to be acquired, of bulk receiving bins and conveying, elevating and storage equipment at an estimated cost of not to exceed \$50,000. It has made arrangements, subject to receiving authorization from the Commission, to borrow up to that amount from The Anglo California National Bank of San Francisco to meet the cost of these proposed additions and improvements.

The sum to be thus borrowed will be represented by a note in the principal amount of not exceeding \$50,000, payable in five, equal, annual installments with interest at the rate of 5% per annum. A copy of the proposed form of note has been filed in the proceeding as Exhibit G-2, a copy of the proposed deed of trust to secure the payment of the note as Exhibit H (a), and a copy of the proposed mortgage of chattels as Exhibit H (b).

A review of the application indicates that the proposed transactions will not be adverse to the public interest and that an order accordingly should be entered. The action taken by the Commission shall not be construed to be a finding of value of the properties herein authorized to be sold.

O R D E R

The Commission having considered this application and being of the opinion that the requests of applicants should be granted, as herein provided, that the money, property or labor to be

procured or paid for through the issue of the stock and note herein authorized is reasonably required 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. Elva De Pue Matthews, after the effective date hereof and on or before October 31, 1950, may sell the properties referred to in this application to Maxwell-Delevan Warehouse Corporation pursuant to the terms and conditions set forth in said application.

2. Maxwell-Delevan Warehouse Corporation, after the effective date hereof and on or before October 31, 1950, may issue and sell at par not exceeding \$55,000 of its common stock for the purpose of financing the cost of acquiring said properties and of providing funds for working capital to maintain and improve its service.

3. Maxwell-Delevan Warehouse Corporation, after the effective date hereof and on or before October 31, 1950, may issue a note in the principal amount of not exceeding \$50,000, and execute a deed of trust and a mortgage of chattels to secure the payment of said note, for the purpose of financing the cost of the additions and improvements referred to in this application, which note, deed of trust and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

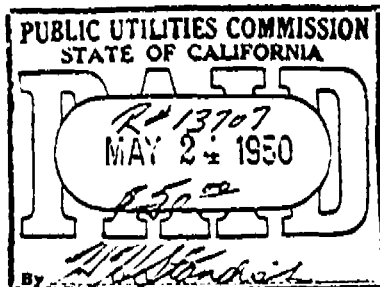
4. Applicants, on not less than five (5) days' notice to the Commission and to the public, shall supplement or reissue tariffs on file with the Commission insofar as they name rates, rules and regulations governing operations at said warehouse at

Delevan, to show that Maxwell-Delevan Warehouse Corporation has adopted or established said rates, rules and regulations as its own, such tariff filings made pursuant to this order in all respects to comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

5. Maxwell-Delevan 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 authority herein granted will become effective when Maxwell-Delevan Warehouse Corporation has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is fifty (\$50.00) dollars.

Dated at San Francisco, California, this 23rd day of May, 1950.



R. E. Anderson
Justin F. Calverley
Robert F. Kinnell
Harold P. Kula
Commissioners

Commissioner Kenneth Potter, being necessarily absent, did not participate in the disposition of this proceeding.