

**ORIGINAL**

Decision No. 45141

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
	)	
of	)	
	)	
TRACY WAREHOUSE CORPORATION	)	Application
	)	No. 31933
For Certificate Authorizing	)	
it to Sell its Securities.	)	
-----	)	

O P I N I O N

This is an application for an order of the Commission authorizing Tracy Warehouse Corporation to issue 200 shares of common stock without par value to Eugene E. Chase and Louise S. Chase in exchange for warehouse properties, and to issue and sell 100 shares of common stock to provide working capital.

The application shows that Eugene E. Chase and Louise S. Chase, his wife, and Carl E. Schmidt and Ruth L. Schmidt, his wife, as partners doing business as Tracy Warehouse, have been engaged in operating a public utility warehouse and a merchandise business in Tracy; that the partners have entered into an agreement dated November 21, 1950, providing for the dissolution of the partnership and the transfer to Eugene E. Chase and Louise S. Chase of the interest of the other two partners; and that said Eugene E. Chase and Louise S. Chase have arranged to transfer the properties to Tracy Warehouse Corporation in exchange for stock.

Financial reports on file with the Commission show that the public utility operations have constituted but a small part of the total. For the last three calendar years, the revenues and

expenses have been reported as follows:

	<u>1947</u>	<u>1948</u>	<u>1949</u>
Warehouse operations	\$ 976.71	\$ 2,195.17	\$ 3,954.36
Merchandise operations	<u>26,785.29</u>	<u>68,296.04</u>	<u>83,272.98</u>
Total	27,762.00	70,491.21	87,227.34
Expenses	<u>28,356.82</u>	<u>64,730.25</u>	<u>76,601.71</u>
Profit for year before income taxes	<u>\$ (594.82)</u>	<u>\$ 5,760.96</u>	<u>\$10,625.63</u>

The assets and liabilities of the business as of October 31, 1950, are shown below:

Assets

Fixed assets -		
Land, buildings, machinery	\$53,594.87	
Less-depreciation reserve	<u>10,058.17</u>	
Net fixed assets		\$43,536.70
Current assets -		
Cash and deposits	1,691.17	
Inventory	1,150.00	
Accounts receivable	<u>4,171.19</u>	
Total current assets		<u>7,012.36</u>
Total		<u>\$50,549.06</u>

Liabilities

Funded liabilities	\$28,550.00
Current liabilities	1,788.39
Eugene E. Chase loan to business	3,998.27
Proprietorship	<u>16,212.40</u>
Total	<u>\$50,549.06</u>

Eugene E. Chase is willing to accept stock in liquidation of the indebtedness of \$3,998.27 due him. Accordingly, it is proposed that the corporation will issue 200 shares of stock at a stated value of \$100 each in exchange for the proprietorship capital and in satisfaction of the aforesaid indebtedness.

As to the issue of the remaining 100 shares of stock, the corporation proposes to sell them for cash at \$100 a share. It reports that because of limited capital the owners in the past have found it necessary to decline to purchase grain for resale and that

the acquisition of additional working capital will enable the corporation to extend the business of buying and selling grain, which is said to be a profitable operation.

It appears that the transfer of the properties will not be adverse to the public interest. Accordingly, an order will be entered granting the application.

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 an order should be entered, as herein provided; that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required by applicant 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. Carl E. Schmidt and Ruth L. Schmidt, after the effective date hereof and on or before March 31, 1951, may transfer to Eugene E. Chase and Louise S. Chase their partnership interest in the properties and business of Tracy Warehouse, in accordance with the terms of the agreement filed in this proceeding as Exhibit C.
2. Eugene E. Chase and Louise S. Chase, after the effective date hereof and on or before March 31, 1951, may transfer the properties and business comprising the Tracy Warehouse to Tracy Warehouse Corporation.

3. Tracy Warehouse Corporation, after the effective date hereof and on or before March 31, 1951, in acquiring said properties and business, may assume the outstanding liabilities and may issue not exceeding 200 shares of its capital stock.

4. Tracy Warehouse Corporation, after the effective date hereof and on or before March 31, 1951, may issue and sell, at \$100 a share, not exceeding 100 shares of its capital stock for the purpose of providing working capital to maintain and improve its business and properties.

5. 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 the present owners 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.

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

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

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

Dated at San Francisco, California, this 19<sup>th</sup> day of  
December, 1950.

R. E. [Signature]  
Justin J. [Signature]  
[Signature]  
Harold P. [Signature]  
[Signature]  
Commissioners