

ORIGINAL

Decision No. 46342

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 PACIFIC COMPRESS & WAREHOUSE)
 COMPANY)
)
 For authority to issue shares,)
 to issue a note, and to mortgage)
 certain personal property.)
 -----)

Application
No. 32772
(and Amendment)

OPINION AND ORDER

Pacific Compress & Warehouse Company has filed this application for authorization to issue \$35,000 par value of its common stock, to issue to The Anglo California National Bank of San Francisco a promissory note in the principal amount of \$15,000, and to execute a mortgage on chattels to secure the payment of the note, for the purpose of financing the cost of equipment and of providing working capital.

Applicant is a California corporation organized on July 5, 1951, for the purpose of conducting a public cotton compress and cotton warehousing business near Fresno. It reports that it intends to lease certain real property and improvements from Otto Goedecke Improvement Company, to purchase and place in operation certain equipment at an estimated cost of approximately \$35,000, as shown in some detail in the application, and to undertake to serve cotton growers located through the San Joaquin Valley. (1) It expects that its

(1)

The properties to be leased include approximately 25 acres of land and improvements consisting of a building 100 feet by 200 feet, a compress with a capacity to process 125 bales of cotton, and outside storage space with a capacity of 10,000 bales. The agreed rental is \$27,500 a year plus 50 cents a bale for the first 100,000 bales processed and/or stored, with a reducing allowance per bale in excess of 100,000.

operations will commence during October, 1951, and it estimates that it will process and store approximately 135,000 bales of cotton annually. On the basis of this volume of business it estimates gross revenues of \$371,250 and net profit of \$111,000 before income taxes.

The record shows that applicant has an authorized capital stock of 200,000 shares of the par value of \$1 each, and that it proposes to sell 35,000 of said shares to Mr. Otto Goedecke, its president, and to borrow \$15,000 from The Anglo California National Bank of San Francisco to meet its needs for equipment, supplies and working capital. The sum to be borrowed will be represented by a promissory note payable in annual installments of \$7,500 commencing July 1, 1952, with interest on deferred payments at the rate of 5% per annum.

The Commission has considered this matter 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 the stock and note 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. Pacific Compress & Warehouse Company, after the effective date hereof and on or before December 31, 1951, may issue and sell, at par for cash, not exceeding 35,000 shares of its common capital stock for the purpose of financing the cost of the equipment referred to in this proceeding.

2. Pacific Compress & Warehouse Company, after the effective date hereof and on or before December 31, 1951, may issue a promissory note in the principal amount of not exceeding \$15,000, and may execute a mortgage on chattels, in substantially the same form as the note and the mortgage filed in this proceeding as Exhibit B and Exhibit C, respectively, for the purpose of providing working capital to maintain its service.

3. Pacific Compress & Warehouse Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective when Pacific Compress & Warehouse Company has paid the minimum fee prescribed by Section 1904 of the Public Utilities Code, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco California, this 30th day of October, 1951.

R. J. D. [Signature]
 President

Justice J. [Signature]

Harold St. [Signature]

[Signature]
 Commissioners

