

ORIGINAL

Decision No. 46478

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of)	
	:	
SOUTH SAN FRANCISCO COLD)	
STORAGE AND WAREHOUSE CO.,	:	Application
)	No. 32908
For a Permit Authorizing it to	:	
Issue and Sell its Securities.)	
-----	:	

O P I N I O N

This is an application for an order of the Commission authorizing South San Francisco Cold Storage and Warehouse Co. to issue 2,000 shares of stock, of the aggregate par value of \$20,000, in payment of outstanding indebtedness of like amount.

Applicant is a California corporation organized in November, 1950. During the early part of 1951 it leased certain premises from United Packing Co., Inc. and commenced the operation of a public cold storage plant and warehouse, primarily for meat products, in South San Francisco. Pursuant to authority granted by Decision No. 45246, dated January 9, 1951, it issued and sold \$10,000 par value of its capital stock for the purpose of paying for equipment and of providing working capital for its operations.

In the present proceeding, applicant reports that during the period from February 1 to August 31, 1951, it had gross revenues of \$36,894.45, with expenses of \$35,426.09, leaving net income for the period of \$1,468.36. It reports that it found the capacity of the plant to be insufficient, and that accordingly it borrowed \$20,000 from its stockholders to pay in part the cost of constructing additional freezer space in the premises it leases. The construction

work included the insulation of one large room and the installation of refrigeration and other equipment. The total cost of the work is stated to have been approximately \$28,500.

A balance sheet filed in this proceeding as Exhibit A shows applicant's financial position as of August 31, 1951, as follows:

Assets

Current assets		\$ 4,016.46
Fixed assets -		
Machinery and equipment	\$51,700.67	
Less-depreciation allowance	<u>1,827.98</u>	
Net fixed assets		49,872.69
Prepaid insurance		8,770.53
Organization expense		<u>787.22</u>
	Total	<u>\$63,446.90</u>

Liabilities and Capital

Current liabilities		\$18,977.26
Equipment and other contracts		23,001.28
Notes payable to officers		10,000.00
Capital -		
Capital stock	\$10,000.00	
Surplus	<u>1,468.36</u>	
Total capital		11,468.36
	Total	<u>\$63,446.90</u>

Since the date of the balance sheet applicant's officers have advanced an additional \$10,000. They now are willing to accept shares of stock, at dollar for dollar, in satisfaction of the amounts due them.

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 the shares of stock herein authorized is reasonably required by applicant 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. South San Francisco Cold Storage and Warehouse Co., after the effective date hereof and on or before March 31, 1952, may issue, at par, not exceeding 2,000 shares of its capital stock, of the par value of \$20,000, for the purpose of paying indebtedness of like amount.

2. Applicant 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.

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

Dated at San Francisco, California, this 4th day of December, 1951.

R. F. [Signature]
President

James J. [Signature]
Samuel [Signature]

Therese [Signature]
John L. [Signature]
Commissioners