

**ORIGINAL**

Decision No. 47550

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of PACIFIC COLD STORAGE, INC.,	:	
a Corporation, for Authority to	)	Application
Issue Capital Stock and Execute	:	No. 33623
Evidence of Indebtedness.	)	
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O P I N I O N

Pacific Cold Storage, Inc., applicant herein, is a California corporation organized on April 17, 1952, for the purpose of operating a cold storage and freezing plant for perishable foods and other products in Vernon. In this application it seeks authorization to issue \$350,000 of common stock and promissory notes in the aggregate principal amount of \$175,000 for the purpose of financing the purchase price of real property and the cost of constructing and equipping its plant and of providing working capital, or of repaying amounts advanced by its incorporators for these purposes.

Applicant reports that it has purchased a parcel of land, comprising approximately two acres, located at 2851 East 44th Street in Vernon and that it has had plans prepared and has started construction of its facilities. In Exhibit II filed with its application it reports its capital requirements as follows:

Land	\$ 83,136.45
Building contract	294,184.00
Mechanical equipment	70,991.07
Electric contract (estimated)	10,000.00
Spur track (estimated)	2,800.00
Paving	2,500.00
Furniture, fixtures and handling equipment	40,000.00
Engineering	6,000.00
Organization expenses	2,500.00
Working capital	<u>12,888.48</u>
Total	<u>\$525,000.00</u>

To meet in part the estimated expenditures, applicant's organizers propose to invest \$350,000 in the enterprise and to accept common stock at par in that amount. (1) For the remainder, it appears that arrangements have been made, or are being made, for applicant to borrow \$175,000 from California Bank, the sum to be represented by two notes, one for \$148,750 to be secured by a deed of trust on the real property and the other for \$26,250 to be secured by a chattel mortgage on the personal property and equipment. Each note will be payable with interest at the rate of 4-3/4% per annum in quarterly installments of \$8,750 commencing on April 1, 1954, for the \$148,750 note and on July 1, 1953, for the \$26,250 note.

Applicant estimates its operating revenues at \$260,000 and its expenses at \$220,104, including taxes, depreciation and interest.

#### ORDER

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 by the issue of the stock and notes 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:

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(1)

The application shows that two of applicant's organizers, John Gogian and Frank Gogian, up to July 14, 1952, had advanced \$110,217.90 to applicant for the purchase of land and for construction and preliminary costs.

1. Pacific Cold Storage, Inc., after the effective date hereof and on or before March 31, 1953, may issue not exceeding \$350,000 par value of its common stock and not exceeding \$175,000 in principal amount of promissory notes for the purposes set forth in this application, and may execute a deed of trust, mortgage of chattels and loan agreement. The notes, deed of trust, mortgage of chattels and loan agreement shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit VI.

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 when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is one hundred seventy-five (\$175.00) dollars.

Dated at San Francisco, California, this 11<sup>th</sup> day of August, 1952.

*R. B. Anderson*  
President  
*James D. Sullivan*  
*James K. Hills*  
*Lawrence H. Patton*  
*Peter E. Mitchell*  
Commissioners

