

ORIGINAL

Decision No. 49108

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of FARMERS ALLIANCE BUSINESS ASSOCIATION, a corporation, for an order authorizing the sale of shares of stock.

Application No. 34683

O P I N I O N

Farmers Alliance Business Association, a corporation, has filed this application for authorization to issue and sell 2,000 shares of its capital stock at \$50 a share for the purpose of financing the cost of property.

Applicant is engaged in the public warehouse business and in related activities in the City of Paso Robles. It reports that it owns a feed mill and a 24-foot truck scale which are said to be the only facilities of their nature in Paso Robles and to be inadequate to take care of the business in the area. It intends to meet demands for its services by the purchase and installation of a 60-foot truck scale, a seed cleaner, mill, molasses mixer, a barley roller and a bulk delivery truck with an 8-ton bulk tank, and by the remodeling of its warehouse building so as to provide bulk grain and concentrate holding bins, all at an estimated cost of \$100,000.

In Exhibit B filed in this proceeding, applicant reports for the first six months of 1953 its gross revenues from all sources in the amount of \$500,980.81 and its net earnings at \$21,853.21. In Exhibit A it reports its assets, liabilities and capital as of June 30, 1953, as follows:

<u>Assets</u>		
Property		
Real estate	\$ 1,850.58	
Machinery	70,948.26	
Buildings	140,502.86	
Truck	2,948.67	
Total property	<u>216,250.37</u>	
Less: depreciation reserve	92,164.68	
Balance		\$124,085.69
Current assets -		
Cash	32,132.38	
Accounts receivable	53,287.65	
Inventory	33,556.54	
Prepaid insurance	3,301.40	
Total current assets		122,277.97
Other debits		11,644.00
Total		<u>\$258,007.66</u>
 <u>Liabilities and Capital</u>		
Current liabilities -		
Accounts payable	\$ 1,844.18	
Taxes payable	1,899.79	
Total liabilities		\$ 3,743.97
Capital stock and surplus		254,263.69
Total		<u>\$258,007.66</u>

Applicant intends to dispose of its shares of stock through its own organization to provide the estimated costs of the proposed additions and improvements. It reports that there is a definite need for the additional facilities in its community and that in its opinion the operations will be profitable to it.

Upon reviewing this matter we are of the opinion that an order should be entered granting applicant's request.

#### ORDER

The Commission having considered the above entitled matter, and being of the opinion that a public hearing 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 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. Farmers Alliance Business Association may issue not exceeding 2,000 shares of its capital stock, for cash at \$50 a share, on or before April 30, 1954, and use the proceeds for the purpose of financing the cost of the improvements and equipment referred to in this proceeding.

2. Applicant 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.

3. This order will become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 29<sup>th</sup> day of September, 1953.

R. Z. [Signature]  
President

Harold Hule

[Signature]

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Commissioners