

ORIGINAL

Decision No. 49401

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
 WILLIAMS RICE DRIER, a corporation,)
 for an order or permit authorizing)
 it to sell and/or exchange and issue)
 its securities, to acquire all the)
 assets subject to the liabilities of)
 WILLIAMS COOPERATIVE DRIER, a California)
 farmers' cooperative non-profit)
 corporation, whose principal office and)
 place of business is in Colusa County,)
 California.)
 -----)

Application
No. 34902

O P I N I O N

Williams Rice Drier has filed this application for authorization to issue 22,528 shares of its no par value common stock in payment for properties.

Applicant is a California corporation recently organized for the purpose of acquiring the assets of Williams Cooperative Drier, a California nonprofit farmers' cooperative corporation, which owns rice drier and grain storage building and facilities situated north of Williams. It appears that the organization of applicant for this purpose was brought about by the desire of the members of the Williams Cooperative Drier to discontinue operations as a farmers' cooperative and to transform the business to that of a public utility warehouseman. The application shows that the new corporation proposes to engage in the business of warehousing and storing rice, barley, wheat, cereals and other commodities and to file tariffs and to subject itself to regulation by the Commission. In completing the program, applicant proposes to issue the 22,528 shares of its stock, being exactly the same number of shares of stock of the

Cooperative now outstanding, in exchange for all the assets of the Cooperative including the real property and improvements, machinery and equipment, cash and accounts receivable, subject to all the liabilities. The Cooperative thereupon will dissolve and distribute the shares of applicant's stock to its members.

As set forth in some detail in Exhibit B and Exhibit C, the original cost to the Cooperative of the assets now to be transferred to applicant, less the related reserve for depreciation, was \$109,397 as of May 31, 1953, and the outstanding liabilities were \$68,788, consisting of current liabilities of \$41,788 and a ten-year 4½% installment note in the amount of \$27,000. In Exhibit D applicant reports its estimated annual income in the amount of \$41,700, its expenses in the amount of \$26,950 including depreciation and interest, and its net profit at \$14,750.

Upon reviewing this matter we are of the opinion that the transfer of the properties of the Cooperative to applicant will not be adverse to the public interest, that the issue of the shares of stock in the amount requested 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. Accordingly, we will enter an order granting the application.

The action taken herein shall not be construed to be a finding of the value of the properties of Williams Cooperative Drier.

ORDER

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Williams Rice Drier may issue not exceeding 22,528 shares of its no par value common stock, on or before March 31, 1954, for the purpose of acquiring the assets of Williams Cooperative Drier, and may assume the outstanding indebtedness of Williams Cooperative Drier:

2. Williams Rice Drier 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. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 8th day of December, 1953.

A. F. Anderson
President

Justus F. Cassel
Franklin P. Potter
John L. Whitehill
James Higgins
Commissioners