

ORIGINAL

Decision No. 50411

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)	
JAY S. CLARE, doing business as BUTTE	:	
CITY WAREHOUSE CO., to sell certain)	
assets of the said company and the	:	Application
application of PRINCETON RICE DRYER,)	No. 35670
a California corporation, to purchase	:	
the said assets and for a permit to)	
issue and sell its shares.	:	
-----)	

O P I N I O N

In this proceeding the Commission is asked to make an order authorizing Jay S. Clare to transfer warehouse properties to Princeton Rice Dryer, a corporation, and authorizing said corporation to issue 720 shares of no par common stock at \$100 a share.

Applicant Clare, operating as Butte City Warehouse Co., owns and conducts a warehouse and rice drier business at Princeton, Colusa County. In his latest annual report to the Commission he shows his net investment in fixed assets, both utility and non-utility, as of December 31, 1953, at \$253,500 and in current assets at \$60,717, a total amount of \$314,217, which he has provided, according to his statement, by long-term debt of \$130,000 and proprietor's investment of \$184,217. This applicant reported utility revenue of \$66,355 in 1953 and nonutility revenue of \$76,926, a total of \$143,281, with net income of \$22,172 before provision for income taxes.

It appears that applicant Clare now desires to incorporate his business and to obtain additional funds for the enterprise. He

seeks to accomplish the first of these objectives by the transfer of his properties to a corporation, which he has caused to be organized to receive them, for the sum of \$175,000, payment to be accomplished by the assumption by the corporation of the long-term debt now in the amount of \$115,000 and the issue of 600 shares of stock at a price of \$60,000. To obtain additional funds for working capital it is proposed that thereafter the corporation will offer an additional block of 120 shares of stock for sale to certain ranchers and rice growers for the total sum of \$12,000.

The transfer of the properties will not result in any change in the rates, rules and regulations of the warehouse business and, in our opinion, will not be adverse to the public interest. Accordingly, an order will be entered granting applicants' requests.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

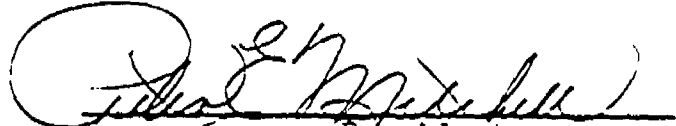
The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required by applicant corporation 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:

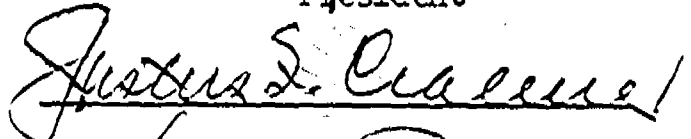
1. Jay S. Clare may sell his properties and business to Princeton Rice Dryer on or before December 31, 1954, under the terms and conditions set forth in this application.
2. Princeton Rice Dryer, in payment for said properties, may assume the payment of outstanding indebtedness of \$115,000 and may issue not exceeding 600 shares of its no par common stock.
3. Princeton Rice Dryer may issue and sell 120 shares of its no par common stock at \$100 a share, on or before December 31, 1954, and use the proceeds for working capital.
4. On not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing warehouse operations of Jay S. Clare, doing business as Butte City Warehouse Co., to show that Jay S. Clare has withdrawn or canceled and that Princeton Rice Dryer concurrently has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.
5. Princeton Rice Dryer 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.

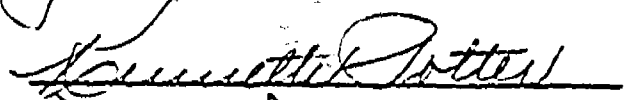
6. The authority herein granted will become effective 20 days after the date hereof.

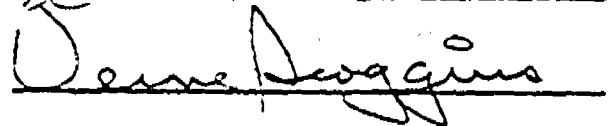
Dated at San Francisco, California, this 17th day of August, 1954.



President







Commissioners