

ORIGINAL

Decision No. 51170

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
D.S. ADAMS, D.Q. ADAMS, D.Q. ADAMS, JR., :
W.W. ADAMS, ELIZABETH ADAMS McCLURE,)
MARGARET ADAMS DALLAM, and C. L. SHERWOOD :
for authorization to transfer a public)
utility warehouse business to D.S. ADAMS, :
D.Q. ADAMS, D.Q. ADAMS, JR., W.W. ADAMS,) Application
W.W. ADAMS, JR., ELIZABETH ADAMS McCLURE : No. 36740
and MARGARET ADAMS DALLAM, doing business)
as ADAMS, SCHWAB & ADAMS WAREHOUSE COMPANY, :
and of said Transferees for an order)
authorizing execution of evidence of in- :
debtedness and encumbrance of public utility)
property. :
-----)

O P I N I O N

This is an application for an order of the Commission authorizing the transfer of a partnership interest in the Adams, Schwab & Adams Warehouse Company and the issue of a promissory note in the principal amount of \$190,000, secured by a deed of trust and a mortgage on chattels.

The application shows that D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, Elizabeth Adams McClure, Margaret Adams Dallam, and C. L. Sherwood, doing business as Adams, Schwab & Adams Warehouse Company, have been engaged in the business of a public utility warehouseman for the storage of rice and grain at Dunnigan and Woodland, Yolo County, that C. L. Sherwood concluded to dispose of his partnership interest and that he made arrangements to transfer the same to the remaining members of the partnership, and that thereafter W. W. Adams, Jr. acquired this partnership interest. It appears that through inadvertence this change in ownership was

made without Commission authorization and that when the matter was called to applicants' attention they filed this proceeding for the requisite authorization.

For the year ended April 30, 1954, the operating revenues of the business amounted to \$83,831.07 and the operating expenses, exclusive of income taxes, to \$73,538.50, leaving net operating revenues of \$10,292.57 after deduction of \$18,441.68 for depreciation. The financial position of the enterprise as of April 30, 1954, is indicated in the following balance sheet:

<u>Assets</u>	
Current assets -	
Cash	\$ 4,685.09
Accounts receivable	25,149.85
Prepayments	<u>650.28</u>
Total current assets	\$ 30,485.22
Fixed capital, less reserve	<u>221,065.82</u>
Total	<u>\$251,551.04</u>
<u>Liabilities and Capital</u>	
Current liabilities	\$ 11,862.82
Long-term debt	105,000.00
Proprietors' capital	<u>134,688.22</u>
Total	<u>\$251,551.04</u>

Applicants report that it is desirable for them to expand the storage facilities at Woodland and that they have made arrangements for the construction of concrete bins and the necessary machinery and equipment at an estimated cost of \$190,000. It is their intention to borrow the required sum from The Anglo California National Bank of San Francisco, and in evidence of the borrowing to issue their promissory note in the principal amount of \$190,000, payable in installments of \$7,600 on May 1, 1955, and \$20,000 annually thereafter with interest at the rate of 4½% per annum. The payment of the note will be secured by a deed of trust and by a mortgage.

It is our opinion, and we so find, that the transfer of the partnership interest will not be adverse to the public interest. It appears to us that applicants' assets and earnings should be ample to support the proposed note issue and that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

The action taken herein shall not be construed to be a finding of the value of the partnership interest 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 and that the application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, Elizabeth Adams McClure, Margaret Adams Dallam, and C. L. Sherwood may transfer the public utility warehouse properties referred to herein to D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam, doing business as Adams, Schwab & Adams Warehouse Company, under the terms and conditions set forth in this application.

2. D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam, doing business as Adams, Schwab & Adams Warehouse Company, may issue a note in the principal amount of not exceeding \$190,000 for the purposes set forth in this application and may execute a deed of trust and a mortgage on chattels, which note, deed of trust and mortgage shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A, Exhibit B, and Exhibit C, respectively.

3. 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 the warehouse operations here involved, to show that D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, Elizabeth Adams McClure, Margaret Adams Dallam and C. L. Sherwood have withdrawn or canceled and that D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam, doing business as Adams, Schwab & Adams Warehouse Company, concurrently have adopted or established, as their 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.

4. D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam, doing business as Adams, Schwab & Adams Warehouse Company, 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.

5. The authority herein granted will become effective when D. S. Adams, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, W. W. Adams, Jr., Elizabeth Adams McClure and Margaret Adams Dallam, doing business as Adams, Schwab & Adams Warehouse Company, have paid the fee proscribed by Section 1904(b) of the Public Utilities Code, which fee is \$190.

Dated at San Francisco, California, this 8th day of March, 1955.

John E. Mitchell
President

Justus J. Adams
Raymond Lutterer
William J. Hooley

Commissioners
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
5832
MAR 8 - 1955
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[Signature]