

Decision No. 5319S

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of)	
CAMP & FELDER TERMINAL COMPANY,)	Application
a California Corporation,)	No. 38031
For a Permit to Issue Additional)	
Shares of its Stock.)	
-----)	

OPINION

This is an application for an order authorizing Camp & Felder Terminal Company to issue \$60,000 par value of its common stock and to enter into a merger agreement.

Applicant was organized under the laws of California on October 26, 1951. It is, and since its organization has been, engaged in the business of warehousing cotton in the open on land in Kern County owned by Camp & Felder Development Company. This latter company is controlled through stock ownership by the same interests who control applicant, and is engaged in holding and renting property to applicant and to affiliated interests.^{1/}

In order to simplify the inter-corporate relationships it is now proposed to merge Camp & Felder Development Company into the applicant corporation under the terms of an agreement of merger dated April 23, 1956, whereby applicant as the surviving corporation

1/ The application shows that all the outstanding stock of applicant and of the development company is owned in equal proportions by S. A. Camp Ginning Company and W. D. Felder and Company.

will take over all the assets of the other company and will assume all the liabilities. A statement showing the recorded assets and liabilities of the two corporations as of February 29, 1956, is as follows:

	<u>Terminal Company</u>	<u>Development Company</u>	<u>Total</u>
<u>Assets</u>			
Current assets -			
Cash	\$20,994	\$ 10,451	\$ 31,445
Accounts receivable	7,391	100,351	107,742
Prepaid expense	4,672	6,267	10,939
Total current assets	<u>33,057</u>	<u>117,069</u>	<u>150,126</u>
Fixed assets - less reserve	40,175	248,112	288,287
Organization expense	850	782	1,632
	<u>\$74,082</u>	<u>\$365,963</u>	<u>\$440,045</u>

<u>Liabilities and Capital</u>			
Current liabilities -			
Accounts payable	\$57,000	\$ 65,958	\$122,958
Accruals	1,549	6,762	8,311
Total current liabilities	<u>58,549</u>	<u>72,720</u>	<u>131,269</u>
Long-term liabilities	69,726	158,000	227,726
Common stock	10,000	60,000	70,000
Surplus	<u>(64,193)</u>	<u>75,243</u>	<u>11,050</u>
	<u>\$74,082</u>	<u>\$365,963</u>	<u>\$440,045</u>

To carry out the terms of the merger applicant will issue \$60,000 par value of its stock in the place of the stock of the development company now outstanding.

Analysis of the financial statement shows that applicant presently rents the land it occupies from its affiliated company and that its accumulated deficit reflects the inter-company transactions. The merger proceeding will result in the elimination of the deficit of the terminal company and will relieve it in the future of continuing payments of the rents it pays for the land it now occupies. Upon a review of the matter we are of the opinion,

and so find, that public interest will not be adversely affected by the proposed transfer.

The action taken herein is not to be construed as a finding of the value of the properties referred to in this proceeding.

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 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. Camp & Felder Terminal Company may enter into and consummate an agreement of merger with Camp & Felder Development Company in, or substantially in, the same form as the agreement filed in this proceeding as Exhibit A, and, to carry out the terms of said agreement, may acquire the assets of and assume the outstanding liabilities of Camp & Felder Development Company, and may issue not exceeding \$60,000 par value of its common capital stock.

2. Camp & Felder Terminal Company 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 on the date hereof.

Dated at San Francisco, California, this 27th day of June, 1956.

John E. Mitchell
President

James J. Calver
Ralph Hutcheon

Walter K. Kool
Bo Hunt
Commissioners