

**ORIGINAL**

Decision No. 55383

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of VALLEY BEAN WAREHOUSE, INC., a California corporation, for authority to purchase real and personal property, sell and issue its securities, borrow money and execute promissory notes, deed of trust and chattel mortgage in connection therewith.

Application No. 39291

OPINION AND ORDER

In this application, Valley Bean Warehouse, Inc., seeks authorization to issue \$20,000 of common stock, to execute a deed of trust and mortgage and to issue two notes in the aggregate amount of \$70,000.

Applicant is a California corporation which was organized during 1953 under the name of Klein Bros. Inc. It has not issued any stock and has neither assets nor liabilities but it now proposes to acquire and operate a warehouse building in the City of Stockton and to offer services consisting of cleaning, storing, as a public utility, and selling dried beans and seeds and such other operations as may be incidental thereto. It estimates for the ensuing 12-months' period that it will have revenues of \$56,750 and profit of \$20,750, before making provisions for depreciation and income taxes.

In undertaking its operations, applicant intends to acquire certain land, building and equipment at a cost of

\$63,500, to purchase pallets and other facilities at a cost of \$6,580 and to acquire a fork lift truck at a cost of \$7,600, these several items aggregating \$77,680. It intends to acquire the fork lift truck through a lease purchase agreement and to sell \$20,000 par value of its common stock to Jack M. Klein, Sol D. Klein, Bud D. Klein and Raymond J. Pezzi and to borrow \$20,000 from Klein Bros., a copartnership, on an unsecured three-year 6 per cent note. In addition, applicant has made arrangements to obtain \$50,000 from Stockton Savings and Loan Bank, this borrowing to be represented by a promissory note payable in monthly installments of \$550, including interest at the rate of 6 per cent per annum, and secured by a deed of trust and mortgage of chattels. The proceeds from this financing, which are in excess of the amounts needed to purchase properties and equipment, will be used for working capital.

Upon a review of the verified application, we are of the opinion that a public hearing is not necessary, that the application should be granted, that the money, property or labor to be procured or paid for by the issue of the securities herein authorized is reasonably required 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. Valley Bean Warehouse, Inc., may execute a deed of trust, mortgage of chattels and a lease purchase agreement, and may issue not exceeding \$20,000 par value of its common stock, a promissory note in the principal amount of \$50,000, secured by

said deed of trust and mortgage of chattels, and an unsecured promissory note in the principal amount of \$20,000 for the purpose of financing the properties and equipment referred to in this application and of providing working capital.

2. The action taken herein shall not be construed to be a finding of the value of the properties and equipment to be acquired through the issue of such securities.

3. Valley Bean Warehouse, Inc., 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.

4. The authority herein granted will become effective when Valley Bean Warehouse, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$70.

Dated at San Francisco, California, this 13th day of August, 1957.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
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BY [Signature]