

ORIGINAL

Decision No. 55953

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SANTA MARIA VALLEY WAREHOUSE COMPANY
a California Corporation

Application No. 39588

For an order authorizing it to issue
stock and stock certificates for the
purpose of reimbursing the applicant's
treasury because of moneys expended.

O P I N I O N

In this application, Santa Maria Valley Warehouse Company, a corporation, seeks authorization to issue 303½ shares of its common stock of the aggregate par value of \$30,350 in reimbursement of its treasury for moneys actually expended from income for the construction, completion, extension and improvement of its facilities and for the improvement of its service. It proposes to distribute such shares as a share dividend to its shareholders of record at the closing of the stock transfer books on August 5, 1957.

Applicant is engaged in operating a public warehouse in Santa Maria, California, for the storage of grain and beans and in conducting certain nonutility and certain sales activities. Its profit and loss statement, which is filed with its application, shows its net sales for the first nine months of 1957 in the amount of \$213,503, its storage revenues in the amount of \$5,101 and its other revenues in the amount of \$38,776.

It appears that applicant has financed itself largely with equity capital. A summary statement of its assets, liabilities and capital as of September 30, 1957, is as follows:

Assets

Current assets -		
Current and prepaid assets	\$121,802	
Less - current liabilities	<u>22,092</u>	
Net current assets		\$ 99,710
Fixed assets, less reserve		163,804
Work in progress		41,480
Organization		<u>812</u>
Total		<u>\$305,806</u>

Liabilities and Capital

Long-term debt		\$ 91,750
Capital -		
Common stock	\$ 60,700	
Assessment	60,834	
Retained earnings	<u>92,522</u>	
Total capital		<u>214,056</u>
Total		<u>\$305,806</u>

It appears that during the last five years applicant has paid only two cash dividends to the holders of its outstanding shares of stock and has utilized its net earnings in its operations. It now desires to capitalize a portion of these retained earnings through the issue of the shares of stock as requested in the application. The proposal does not call for the withdrawal of cash from the business but merely for the transfer of \$30,350 of its retained earnings to its capital stock account.

An order will be entered granting applicant's request.

ORDER

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Santa Maria Valley Warehouse Company may issue not exceeding 303½ shares of its common capital stock for the purpose set forth in the application.

2. Santa Maria Valley Warehouse 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 16th day of December, 1957

[Signature]

 President

[Signature]

[Signature]

[Signature]

[Signature]

 Commissioners