

ORIGINAL

Decision No. 56657

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of E. LYNN WADSWORTH, an individual doing business as WADSWORTH WAREHOUSE for authorization to sell and transfer to JIM B. NIELSEN, and of JIM B. NIELSEN to sell and transfer, and of LIBERTY WAREHOUSE, a corporation, to purchase and acquire public utility warehouse properties, and of LIBERTY WAREHOUSE to issue shares of its capital stock.

Application No. 40029

OPINION AND ORDER

This is an application for an order of the Commission authorizing the transfer of the Wadsworth Warehouse.

The application shows that E. Lynn Wadsworth, an individual doing business as Wadsworth Warehouse, is engaged as a public utility warehouseman in the storage of agricultural commodities at a warehouse located in the vicinity of Libfarm Station, Solano County; that said Wadsworth has concluded to dispose of his operations; and that he has made arrangements to sell his properties to Jim B. Nielsen for the sum of \$27,500. The application further shows that Jim B. Nielsen, upon receiving said properties, proposes to transfer them, at the same price, to a new corporation, named Liberty Warehouse, which he has organized for the express purpose of taking title to the properties and of continuing the operations under a corporate form of organization. The new corporation proposes to issue and sell to said Nielsen \$35,000 par value of its common stock in order to pay the purchase price of \$27,500 and to provide \$7,500 of working cash.

The properties to be transferred include one acre of real property, a wood frame warehouse with concrete floor, 28 wooden bins, two bulk floor elevators, one sack elevator and truck scales. In 1957, the properties were appraised at \$35,000 for inheritance tax purposes.

Jim B. Nielsen presently is engaged in the public utility warehouse business in Watsonville. His latest annual report to the Commission shows his proprietary investment in the Watsonville enterprise at \$118,419, as of May 31, 1957, and net income for the 12 months ended May 31, 1957, at \$32,579.

From a review of the verified application, we are of the opinion, and so find, that the proposed transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein, that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income and that the application should be granted by an ex parte order; therefore,

IT IS HEREBY ORDERED as follows:

1. E. Lynn Wadsworth may transfer the public utility warehouse properties referred to in this application to Jim B. Nielsen and Jim B. Nielsen, in turn, may transfer said properties to Liberty Warehouse, a corporation.

2. Liberty Warehouse, a corporation, may issue and sell, at par, not to exceed \$35,000 par value of its common stock to finance the acquisition of said public utility warehouse properties and to provide working capital.

3. The authorization herein granted shall not be construed to be a finding of the value of the public utility warehouse properties herein authorized to be transferred.

4. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, 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 of E. Lynn Wadsworth, an individual doing business as Wadsworth Warehouse, to show that E. Lynn Wadsworth has withdrawn or canceled and that Liberty Warehouse 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. Liberty Warehouse 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 authorization herein granted will become effective on the date hereof. If not exercised, such authorization will expire on December 31, 1958.

Dated at San Francisco, California, this 13th day of May, 1958.

John E. [unclear]
President
[unclear]
[unclear]
Theodore [unclear]
Commissioners