

Decision No. 58983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SUZY BEL COLD STORAGE CO.,

a corporation,

For permission to issue a CONTINUING
GUARANTY to Bank of America National
Trust and Savings Association, for
STANISLAUS FOOD PRODUCTS CO.

Application No. 41384

OPINION AND ORDER

Suzy Bel Cold Storage Co., a corporation, has filed this application for authorization to execute a continuing guaranty of indebtedness up to \$3,300,000 to be incurred by Stanislaus Food Products Company.

Applicant is engaged in the cold storage business in Modesto. It is controlled through stock ownership by interests who also own the majority stock of Stanislaus Food Products Company, a corporation engaged in the cannery business, and the majority stock of a third corporation, Stanislaus Canning Co., which owns land, buildings and machinery in Modesto which are leased to and operated by the cannery company.

It appears that the operations of Stanislaus Food Products Company are extensive, that it is required to invest considerable sums in inventories and other current assets,^{1/} and that, in order

^{1/} As of October 31, 1958, Stanislaus Food Products Company reports inventories of \$3,103,704.90 and other current assets of \$470,490.78, a total of \$3,574,195.68 as compared with current liabilities of \$3,432,028.70.

to obtain working capital, it has found it necessary to arrange a line of credit with Bank of America National Trust and Savings Association in the maximum amount of \$3,300,000. As a part of the terms of the loan, the bank has required Stanislaus Canning Co. and Suzy Bel Cold Storage Co. to execute a continuing guaranty.

From a review of filed statements showing the financial condition and the results of operations of the three corporations, we are of the opinion that the execution of the guaranty by applicant should not interfere with its cold storage operations and will not be adverse to the public interest, therefore,

IT IS HEREBY ORDERED that Suzy Bel Cold Storage Co. be, and it hereby is, authorized to execute a continuing guaranty in, or substantially in, the same form as that filed in this proceeding.

This opinion and order is effective upon the date hereof.

Dated at San Francisco, California, this 15th day of September, 1959.

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

Commissioners