

ORIGINAL

Decision No. 59056

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MARKET WHOLESAL
 GROCERY CO., a corporation, for
 a permit authorizing the issuance
 of 12,000 shares of its \$25.00
 par value preferred stock.

Application No. 41142

OPINION AND ORDER

In this application Market Wholesale Grocery Co., a corporation, seeks authorization to issue and sell \$300,000 of its 6% preferred stock at par for cash for the purpose of providing working capital.

Applicant is engaged in nonutility operations and in public utility cold storage operations in Fresno and Glendale, its business being primarily of a nonutility nature. In 1958, for example, it reported nonutility revenues of \$52,828,805, and utility operating revenues of \$194,586, with gross income of \$582,030, after deducting cost of goods sold, operating expenses and depreciation.

Applicant's financial position as of the end of 1958 is indicated in the following condensed balance sheet:

<u>Assets</u>		
Property and equipment		\$ 693,880
Current assets -	\$12,311,634	
Less current liabilities	<u>7,717,981</u>	
Net current assets		4,593,653
Deferred assets		<u>193,286</u>
Total		<u>\$5,480,819</u>
<u>Liabilities and Capital</u>		
Long-term debt		\$1,920,501
Common stock and surplus		<u>3,560,318</u>
Total		<u>\$5,480,819</u>

The company reports that it has been expanding its business and now finds it necessary to increase its working capital. Its annual reports show that its operations have been profitable, that it has retained its net income in its business, and that it has increased its volume of current liabilities.

In considering this application and the financial statements, we are of the opinion, and so find, that applicant's earnings should be ample to service the proposed preferred stock issue; that the issue of stock is for a proper purpose and should not interfere with applicant's public utility service; that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required for the purpose specified herein; that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED as follows:

1. Market Wholesale Grocery Co., a corporation, on or after the effective date hereof and on or before March 31, 1960, may issue and sell not to exceed \$300,000 par value of its 6% preferred stock at not less than par, for cash, for the purpose of providing working capital.

2. Market Wholesale Grocery Co., a corporation, shall file 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 authorization herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this
29th day of September, 1959.

Reuben L. Fagan
President
John E. Bortch
William J. Fagan
E. J. Fox
Commissioners