

ORIGINAL

Decision No. 59419

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MARKET WHOLESALE
GROCERY CO., a corporation for
a permit authorizing the issuance
of 100,000 shares of its \$10.00
par value common stock

Application No. 41711

OPINION AND ORDER

This is an application for an order of the Commission authorizing Market Wholesale Grocery Co., a California corporation, to issue \$1,000,000 par value of its common stock in payment of open account obligations of like amount held by its parent corporation, Arden Farms Co.

Applicant operates freezing and cold storage plants at Fresno and Glendale, being a public utility warehouseman whose business, in part, consists of quick freezing of fruits and vegetables and storage thereof at subfreezing temperatures. It is engaged predominantly, however, in nonutility operations; its 1958 public utility operating revenues being reported at \$194,587, and nonutility operating revenues at \$52,828,805.

Applicant's financial position as of October 31, 1959, is indicated in the following condensed balance sheet:

<u>Assets</u>	
Current assets	\$12,196,376
Prepaid expenses	379,995
Plant and equipment - less reserve for depreciation	<u>790,577</u>
Total	<u>\$13,366,948</u>

<u>Liabilities and Capital</u>	
Current liabilities	\$ 7,444,644
Intercompany advances	1,900,000
Preferred stock	300,000
Common stock	3,000,000
Earned surplus	<u>722,304</u>
Total	<u>\$13,366,948</u>

The company reports that it has reduced the inter-company advances to \$1,400,000, which it now desires to reduce further by \$1,000,000 through the issuance of an additional \$1,000,000 par value of its common stock.

From a review of this application and the financial statements it appears that applicant's operations have been profitable, and the issuance of additional shares of its common stock in payment of open account obligations will improve its financial structure.

The Commission has considered this application and is of the opinion, and so finds, that the proposed issuance of \$1,000,000 par value of common stock is for a proper purpose and will 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,

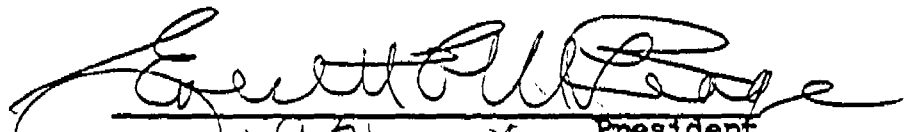
IT IS HEREBY ORDERED as follows:

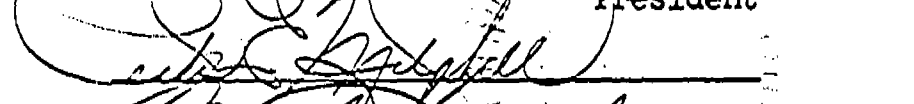
1. Market Wholesale Grocery Co., a corporation, on or after the date hereof and on or before March 31, 1960, may issue not to exceed \$1,000,000 par value of its common capital stock for the purpose of paying open account obligations of like amount, as set forth in this application.


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.

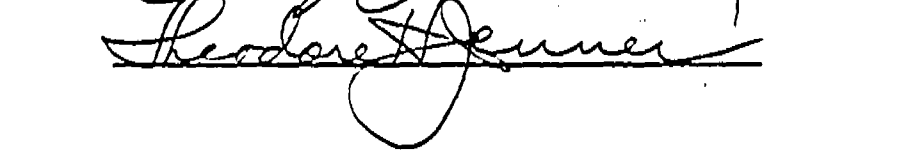
3. The authorization herein granted shall become effective on the date hereof.

Dated at San Francisco, California,
this 21st day of December, 1959.



President






Commissioners