

ORIGINAL

Decision No. 63420

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of

TARKE WAREHOUSE INC., a California Corporation, for an order authorizing the refinancing of a short term debt, and the issuance of a promissory note, secured by a Deed of Trust on real property, payable more than twelve months after the date thereof.

Application No. 44228

O P I N I O N

This application was filed on March 1, 1962 by Tarke Warehouse, Inc., for authorization to execute a deed of trust and to issue a note in the principal amount of \$25,000.

Tarke Warehouse, Inc., is engaged in the public utility warehouse business in Meridian, Sutter County, and in related nonutility operations. In 1961, it reported total revenues of \$201,294, including storage revenues of \$24,622, and net profit of \$67,140, and in Exhibit E it has presented a balance sheet indicating its financial position as of December 31, 1961, as follows:

Assets

Current assets	\$127,499	
Less - current liabilities	<u>45,593</u>	
Net current assets		\$ 81,906
Net investment in fixed assets		255,400
Deferred debits		<u>3,857</u>
Total		<u>\$341,163</u>

Liabilities and Net Worth

Long-term notes		\$ 6,224
Net worth -		
Common stock	\$260,000	
Retained earnings	<u>74,939</u>	
Total net worth		<u>334,939</u>
Total		<u>\$341,163</u>

The \$260,000 of stock consists of 13,000 shares of the par value of \$20 each and a book value, on the basis of the foregoing balance sheet figures, of approximately \$25.75 each.

The application shows that the former president of the corporation resigned, that he offered to sell the 1,250 shares of stock which he owned to the corporation at the price he paid for them, to wit, \$20 a share, and that the corporation acquired said shares and took the appropriate steps to reduce its stated capital. The corporation borrowed \$25,000 from Bank of America National Trust and Savings Association on a short-term basis to finance the acquisition of the shares and it now proposes to refinance the borrowing with a long-term note payable in semi-annual installments of \$1,250 with

interest at the rate of 6-1/2% per annum. The payment of the note will be secured by a deed of trust.

From a review of this application we find and conclude that the issue of the proposed note is for a proper purpose; that applicant's capital structure and earnings should be ample to service and support the proposed borrowing; and that the application should be granted.

An appropriate order will be entered.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion a public hearing is not necessary; that the money, property or labor to be procured or paid for by the issue of the note 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; therefore,

IT IS HEREBY ORDERED that -

1. Tarke Warehouse, Inc., on or after the effective date hereof and on or before September 30, 1962, for the purpose set forth herein may execute a deed of trust and issue a note in the principal amount of not to exceed \$25,000, which deed of trust and note shall be in the same form, or substantially in the same form, as those annexed to the application as Exhibit F.

2. Tarke Warehouse, Inc., 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 shall become effective when Tarke Warehouse, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California,  
this 20th day of MARCH, 1962.

*Clement W. Rouse*  
President  
*John E. Mitchell*  
*George J. Grover*  
*Fredrick B. Hoff*  
Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.

