

**ORIGINAL**

Decision No. 67004

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of Francis K. Silva, Edward C. Silva, Lawrence Souza and Norman Souza - Co-partners, doing business as S. AND S. WAREHOUSE COMPANY, to Sell and S. AND S. WAREHOUSE COMPANY INC., a corporation, to Purchase, ownership and prescriptive operating rights to public warehouses at East Nicolaus, California, and the Application of S. AND S. WAREHOUSE COMPANY INC. to issue stock and refinance long term note.

Application No. 46252  
Filed March 3, 1964

O P I N I O N

This is an application for an order of the Commission (1) authorizing Francis K. Silva, Edward C. Silva, Lawrence Souza and Norman Souza, copartners, doing business as S. and S. Warehouse Company, to sell and transfer a warehouse operative right and related assets to S. and S. Warehouse Company Inc., and (2) authorizing S. and S. Warehouse Company Inc., in acquiring said right and related assets and refinancing certain indebtedness, to issue \$40,000 par value of its capital stock and a \$67,800 note, and to execute a deed of trust and a mortgage of chattels.

The transferors are engaged as public utility warehousemen pursuant to a prescriptive operative right for the operation of 17,800 square feet of storage or warehouse floor space at East Nicolaus, exclusive of the expansion permissible

under Section 1051 of the Public Utilities Code, which right is stated in Decision No. 64729, dated January 2, 1963, in Application No. 44912. In addition to conducting a public utility warehouse business, the partnership is engaged also in nonutility operations related to the handling of agricultural commodities. The application shows that the copartners desire to carry on their operations under a corporate form of organization, and they propose to sell and transfer their operative right and related properties to S. and S. Warehouse Company Inc.

S. and S. Warehouse Company Inc., a California corporation organized on or about October 7, 1963, proposes to purchase said operative right and related assets, subject to certain liabilities, and to issue common stock having an aggregate par value of \$40,000 in payment therefor. The corporation also seeks authority to issue an installment note in the principal amount of \$67,800 in order to obtain funds for refinancing an outstanding \$48,468.12 of previously authorized long-term indebtedness, and for reducing a short-term indebtedness incurred for the construction of additional drying facilities. Said \$67,800 note will be repayable over a period of ten years, in equal annual installments of principal amounting to \$6,780, together with interest at 6% per annum on the unpaid balance. The indebtedness evidenced by the note will be secured by a deed of trust and a mortgage of chattels.

The Commission has considered this matter and finds that: (1) the proposed sale and transfer will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the stock and note herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings, we conclude that the application should be granted. A public hearing is not necessary.

The action taken herein shall not be construed to be a finding of the value of the prescriptive operative right or other assets herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before July 31, 1964, Francis K. Silva, Edward C. Silva, Lawrence Souza and Norman Souza, copartners, doing business as S. and S. Warehouse Company, may sell and transfer, and S. and S. Warehouse Company Inc. may purchase and acquire the warehouse operative right and properties referred to in the application. Said sale and transfer may be made effective as of October 1, 1963, for accounting purposes.

2. S. and S. Warehouse Company Inc., on or before July 31, 1964, for the purposes specified in this proceeding, may execute a deed of trust and a mortgage of chattels, and may issue not to exceed \$40,000 par value of its capital stock and a note in the principal amount of not to exceed \$67,800, said deed of trust, mortgage of chattels and note to be in the same form, or in substantially the same form, as those attached to the application.

3. Within thirty days after the consummation of the transfer herein authorized, S. and S. Warehouse Company Inc. shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

4. S. and S. Warehouse Company Inc. shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the warehouse operations herein to show that it has adopted or established, as its own, said rates, rules and regulations. The tariff filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61-A.

5. Concurrently with the effective date of tariff filings for warehouse operations required by Ordering Paragraph 4 hereof, the prescriptive operative right as a public utility warehouseman stated in Decision No. 64729, dated January 2, 1963, in Application No. 44912, is hereby revoked and, in place and stead thereof, a prescriptive operative right as a public utility warehouseman is hereby stated for S. and S. Warehouse Company Inc. as more particularly set forth in Appendix A attached hereto.

6. In providing service pursuant to the warehouseman operative authority set forth herein, S. and S. Warehouse Company Inc. shall comply with and observe the following service regulation:

Within thirty days after the date hereof, it shall file a written acceptance of the operative right herein stated. By accepting such operative right, it is placed on notice that it will be required, among other things, to file annual reports of its operations. Failure to file said reports, in such form and at such time as the Commission may direct, may result in a cancellation of the operative right set forth in Appendix A hereof.

7. S. and S. Warehouse Company 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.



Appendix A

S. and S. Warehouse Company Inc.  
(a corporation)

S. and S. Warehouse Company Inc., a corporation, possesses a prescriptive operative right as a public utility warehouseman for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>No. of Square Feet of Floor Space</u>
East Nicolaus	17,800

(The floor space shown above is exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.)

End of Appendix A

Issued by California Public Utilities Commission.  
Decision No. 67004, Application No. 46252.