

**ORIGINAL**

Decision No. 76146

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
	)	
of	)	
	)	
PATTERSON WAREHOUSE CO., a	)	Application No. 51331
California corporation,	)	Filed August 21, 1969
	)	
for authority to issue and sell	)	
12,000 shares of its \$1.00 par	)	
value common stock for a cash	)	
consideration of \$19,000.00.	)	
	)	

O P I N I O N

Patterson Warehouse Co. requests an order of the Commission authorizing it to issue and sell 12,000 shares of its \$1 par value common stock for a cash consideration of \$19,000.00.

Applicant is a California corporation operating, in part, as a public utility warehouseman at Patterson, Stanislaus County. For the fiscal year ended March 31, 1969, the company reports total operating revenues of \$160,616 of which it shows \$26,292 as public utility warehouse revenues. The corresponding reported net income from all operations is \$10,469. As of March 31, 1969, applicant reports total assets of \$209,128 offset by equity and liabilities amounting to \$33,415 and \$175,713, respectively.

As a means of improving its equity position applicant proposes to obtain additional funds through issuing 12,000 shares of its \$1 par value common stock to two new stockholders for \$19,000 cash. The proceeds will be applied toward augmenting the company's working capital.

According to the application, the proposed selling price of the stock was determined by the present stockholders on the basis of the condition of the corporation and its prospective growth over the next several years. It appears that the prospective new stockholders have had access to pertinent records and deem the price to be fair and reasonable. Exhibit A, filed in this proceeding, consists of a Waiver of Pre-emptive Stock Rights indicating approval by the present shareholders of the addition of the two new stockholders in the manner set forth in the application.

After consideration the Commission finds that: (1) the proposed stock issue is for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein granted is for the purpose of this proceeding only and is not to be construed as indicative

of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Patterson Warehouse Co., on or after the date hereof and on or before December 31, 1969, for the purpose of augmenting its working capital, may issue and sell not exceeding 12,000 shares of its \$1 par value common stock for a cash consideration of \$1.58-1/3 per share.

2. Patterson Warehouse Co. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 10<sup>th</sup> day of SEPTEMBER, 1969.

*William J. ...*  
President

*[Signature]*  
*[Signature]*

*Vernon L. ...*  
Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.