

ORIGINAL

Decision No. 78716

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of FARMERS ALLIANCE BUSINESS )  
ASSOCIATION, a corporation, for )  
an order authorizing the issuance )  
of certificates representing One )  
Hundred (100) shares of a new )  
class of Capital Stock to HARVEST )  
INDUSTRIES, INC., a corporation. )

Application No. 52590  
Filed April 30, 1971

O P I N I O N

Farmers Alliance Business Association seeks an order of the Commission authorizing it to issue certificates representing 100 shares of \$1 par value capital stock.

Applicant is a California corporation operating as a public utility warehouseman in Paso Robles pursuant to the prescriptive right determined by the Commission on August 1, 1960, in Case No. 6729.

The application shows that Harvest Industries, Inc. a Delaware corporation, holds all of the 100 issued and outstanding \$1 par value shares of capital stock of Harvest Subsidiary Corporation, a California corporation incorporated on or about March 30, 1971. Pursuant to a Plan of Merger and Agreement, a copy of which is attached to the application as Exhibit C, (1) Harvest Subsidiary Corporation proposes to merge into Farmers Alliance Business Association, with the latter as the surviving

corporation, (2) the 100 issued and outstanding \$1 par value shares of capital stock of Harvest Subsidiary Corporation would be converted by operation of law into an equal number of \$1 par value shares of capital stock of Farmers Alliance Business Association, and (3) each of the presently issued and outstanding shares of capital stock of Farmers Alliance Business Association would be converted by operation of law into 12 shares of common stock of Harvest Industries, Inc.

The proposed merger would become effective upon the filing of the Plan of Merger and Agreement and related documents with the California Secretary of State. Such merger would result in applicant becoming a wholly owned subsidiary of Harvest Industries, Inc., and the present shareholders of applicant becoming shareholders of Harvest Industries, Inc. The proposed transactions are expected to provide applicant with the financial and other resources to modernize and expand its business.

After consideration the Commission finds that: (1) the money, property or labor to be procured or paid for by the issue of the stock certificates herein authorized is reasonably required for the purpose specified herein, and (2) 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 not to be construed as a finding of the value of applicant's stock or properties.

O R D E R

IT IS ORDERED that Farmers Alliance Business Association may issue certificates representing 100 shares of \$1 par value capital stock for the purpose of reflecting the conversion of all of the outstanding capital stock of Harvest Subsidiary Corporation in accordance with the Plan of Merger and Agreement, a copy of which is attached to the application as Exhibit C.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 25th day of MAY, 1971.

[Signature]  
Chairman

[Signature]  
William L. Stinger

[Signature]  
Commissioners