

ORIGINAL

Decision No. 78850

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

FIRST SUPPLEMENTAL OPINION

By Decision No. 78716, dated May 25, 1971, in the above-entitled matter, the Commission authorized Farmers Alliance Business Association to 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.

Paragraph 2.2 of said plan provides that on the effective date of the merger each then issued and outstanding share of capital stock (not including treasury stock) of Farmers Alliance Business

Association will, without any action on the part of the holder thereof, be converted into 12 shares of common stock of Harvest Industries, Inc. held by Harvest Subsidiary Corporation.

After further consideration of this matter

we find that:

1. A portion of applicant's reported capital stock consists of treasury shares which, through inadvertence, may have been reissued without the necessary Commission authorization.
2. Upon conversion applicant's capital stock would become stock of Harvest Industries, Inc.
3. Harvest Industries, Inc. is not subject to the jurisdiction of this Commission.
4. The application of Article 5, Chapter 4, Part 1, Division 1 of the Public Utilities Code to applicant is not necessary in the public interest.
5. A public hearing is not necessary for the exemption herein granted.

On the basis of the foregoing findings we conclude

that:

1. A portion of applicant's reported capital stock may be void under Section 825 of the Public Utilities Code.
2. An imminent merger would remove such stock from this Commission's jurisdiction.
3. Applicant should be exempted from this Commission's security issue jurisdiction pursuant to Section 829 of the Public Utilities Code.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Farmers Alliance Business Association is hereby exempted from the provisions of Article 5, Chapter 4, Part 1, Division 1 of the California Public Utilities Code.

2. The exemption herein granted is for the purpose of facilitating the conversion of applicant's capital stock into common stock of Harvest Industries, Inc., by allowing the exchange of certificates representing shares of applicant's capital stock for certificates representing shares of applicant's capital stock which may have been invalidly issued. The exemption herein granted shall not apply to Farmers Alliance Business Association as the surviving corporation after the merger with Harvest Subsidiary Corporation.

3. In the event the transactions contemplated by the Plan of Merger and Agreement are not consummated by July 31, 1971, the exemption herein granted is hereby rescinded.

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

Dated at San Francisco, California, this 22nd day of JUNE, 1971.

[Signature]
 Chairman

[Signature]
 William J. ...

[Signature]
 Vernon L. Sturgeon

[Signature]
 Commissioners