

§ 742.5

(d) A conveying system must be provided throughout the entire warehouse, passing through or accessible to each bin or compartment in such a way that the cottonseed can be moved rapidly when deemed necessary to maintain it in proper condition.

(e) A system of air cooling may be installed in the warehouse. If, in the discretion of the Administrator or his representative, it shall be determined that a warehouse equipped with a cooling system does not need bins, it shall not be necessary to construct bins in such warehouse.

(f) If tanks are used for the storage of cottonseed both a conveying system and an approved air cooling system must be installed and maintained in good working order.

(g) If cottonseed is stored in bags no special type of building is required other than one of sound construction, and with sound floors and of such character as to keep the cottonseed dry. No system of conveying or air cooling is required in bag storage.

[SRA, BAE 102, as amended July 11, 1929. Re-designated at 50 FR 1814, Jan. 14, 1985]

§ 742.5 Net assets required.

The warehouseman conducting a warehouse licensed, or for which application for license has been made under the act, shall have and maintain above all exemptions and liabilities net assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent of at least \$5 per ton of the maximum number of tons that the warehouse will accommodate when stored in the manner customary to the warehouse as determined by the Administrator, except that the amount of such assets shall not be less than \$5,000, and need not be more than \$100,000. In case such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, paid-in capital stock, as such, shall not be considered a liability. Any deficiency in the required net assets may be supplied by an increase

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in the amount of the warehouseman's bond in accordance with § 742.13(b).

§ 742.6 Modification or extension of license.

Each application for a modification or extension of a license under section 5 of the act shall be made to the Secretary, upon a form prescribed for the purpose and furnished by the Administrator, shall be in English, shall be signed by the applicant, and shall be filed with the Secretary not less than 30 days before the date of the termination of the license then in effect.

§ 742.7 License shall be posted.

Immediately upon receipt of his license or of any modification or extension thereof under the act, the warehouseman shall post the same, and thereafter, except as otherwise provided in the regulations in this part, keep it posted until suspended or terminated, in a conspicuous place in the principal office where receipts issued by such warehouseman are delivered to depositors.

§ 742.8 Suspension or revocation of warehouse licenses.

Pending investigation, the Secretary, whenever he deems necessary, may suspend a warehouseman's license temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor, submitted by a warehouseman, the Secretary may, without hearing, suspend or cancel the license issued to such warehouseman. The Secretary may, after opportunity for hearing has been afforded in the manner prescribed in this section, suspend or cancel a license issued to a warehouseman when such warehouseman (a) is bankrupt or insolvent; (b) has parted, in whole or in part, with his control over the licensed warehouse; (c) is in process of dissolution or has been dissolved; (d) has ceased to conduct such licensed warehouse; or (e) has in any other manner become nonexistent or incompetent or incapacitated to conduct the business of the warehouse. Whenever any of the conditions mentioned in paragraphs (a) to (e) of this section shall come into existence, it shall be the duty of the warehouseman