

ORIGINAL

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Decision No. 11979.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
EL DORADO WATER CORPORATION)
for an order authorizing the issue)
and sale of preferred capital stock.)

Application No. 8886

B.D. Marx Greene for Applicant.

MARTIN, Commissioner.

O P I N I O N .

EL DORADO WATER CORPORATION asks permission to issue and sell at a price of not less than \$90.00 net per share 550 shares (\$55,000.00 par value) of preferred capital stock.

El Dorado Water Corporation has amended its articles of incorporation and under such amended articles has an authorized stock issue of \$200,000.00, divided into 2000 shares of \$100.00 each. Of this stock, 1000 shares are common and 1000 shares preferred. The holders of the preferred stock "shall be entitled to receive from the surplus or net profits of the corporation a yearly cumulative dividend of Seven (7) per cent, payable before any dividend shall be paid on the common stock. The holders of preferred stock shall be entitled to no dividend beyond the Seven (7) per cent. aforesaid. On dissolution or liquidation of the corporation the holders of the preferred stock shall be entitled to receive the full par value of their said stock, and all unpaid dividends accrued thereon, before any payment is made on the common stock; and any property remaining shall be distributed ratably among the holders of the common stock." Of the company's common stock, \$75,000.00 is outstanding. All of

this common stock, except directors' qualifying shares, is owned by the El Dorado Water Users Association.

The Railroad Commission by Decision No. 11580, dated February 3, 1923, authorized Diamond Ridge Water Company to transfer to El Dorado Water Corporation possession of its properties under an option agreement whereby El Dorado Water Corporation has been given a 2-year option to purchase at a cost of \$50,000.00 the properties of Diamond Ridge Water Company. Applicant will endeavor to sell sufficient of its preferred stock to pay for the properties of the Diamond Ridge Water Company. The order herein will permit the use of the proceeds from the sale of the preferred stock herein authorized for such purpose only. Any other use of the proceeds must be authorized by the Commission in a supplemental order or orders.

I herewith submit the following form of order.

O R D E R.

EL DORADO WATER CORPORATION having applied to the Railroad Commission for permission to issue \$50,000.00 of preferred capital stock, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose specified in this order and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED, that EL DORADO WATER CORPORATION be, and it is hereby, authorized to issue and sell, for cash, at a price to net applicant not less than \$90.00 per share, 550 shares of its preferred capital stock and use the proceeds to pay the purchase price of the properties of the Diamond Ridge Water Company referred to in this application, or for such other purposes as the Railroad Commission may authorize by a supplemental order or orders.

The authority herein granted is subject to further conditions as follows:

1.-- El Dorado Water Corporation shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

2.--The authority herein granted will become effective on the date hereof but will apply only to such stock as may be issued, sold and delivered on or before December 31, 1923.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 27th day of April, 1923.

C. Seamy
H. B. Brundage
Dwight Maston
J. H. Whittier
Commissioners.