

Decision No. 13143

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
SAN JOAQUIN LIGHT AND POWER CORPORATION)
for an order authorizing the reclassi-) Application Number 9692
fication of its preferred stock.)

BY THE COMMISSION :

FIRST SUPPLEMENTAL ORDER

ORIGINAL

San Joaquin Light and Power Corporation reports that the reclassification of its six per cent preferred stock can be better effected in a way different from that outlined at the hearing had on January 22, 1924. It now proposes to amend its Articles of Incorporation by dividing the \$25,000,000.00 of authorized six per cent preferred stock into two series:- Series "A" and Series "B". Series "A" will consist of \$18,500,000.00 of seven per cent preferred stock cumulative from date of issue. Series "B" will consist of the \$6,500,000.00 outstanding preferred stock which bears a dividend at the rate of six per cent per annum. Series "B" six per cent preferred stock will be convertible into Series "A" seven per cent preferred stock and as the conversion is effected Series "B" stock will be held in the company's treasury unissued, subject to issue after it has had the cumulated dividends eliminated or changed to Series "A" preferred stock. Under the plan, as now outlined, a dividend of \$4.50 per share will be paid to all holders of the present six per cent preferred stock prior to the conversion of such stock into seven per cent cumulative preferred stock.

Applicant asks the Commission to modify the order in Decision Number 13080, dated January 26, 1924, so as to permit applicant to amend its Articles of Incorporation as indicated in this order and exchange its six per cent preferred stock into seven per cent preferred stock on the basis outlined. The Commission has considered applicant's request and believes that such request should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED that the order in Decision Number 13080, dated January 26, 1924, reading :-

"IT IS HEREBY ORDERED that San Joaquin Light and Power Corporation be, and it is hereby, authorized to amend its Articles of Incorporation so that its six per cent cumulative preferred stock will from and after December 1, 1923, bear cumulative dividends at the rate of seven per cent per annum; provided, that all claims for \$845,000.00 of the accumulated dividends now unpaid upon such stock be cancelled; and provided further, that within sixty (60) days after the date hereof San Joaquin Light and Power Corporation file with the Commission a certified copy of a duly and legally executed resolution of its Board of Directors to the effect that it will not pay any dividends on its common stock unless and until the surplus reported to this Commission on November 30, 1923 at \$3,107,203.14 has, as a result of surplus earnings, been increased to an amount not less than \$4,000,000. and to the further effect that it will not pay dividends on such common stock in an amount which will thereafter reduce such surplus to a sum less than \$4,000,000."

be and it is hereby amended so as to read :-

IT IS HEREBY ORDERED that San Joaquin Light and Power Corporation be, and it is hereby, authorized to amend its Articles of Incorporation so as to provide for \$18,500,000.00 par value of Series "A" seven per cent preferred stock cumulative from date of issue, and \$6,500,000.00 of Series "B" six per cent preferred stock and to issue not exceeding \$6,500,000.00 of said Series "B" seven per cent preferred stock in exchange for a like amount of Series "A" six per cent preferred stock, provided that within sixty (60) days after the date hereof San Joaquin Light and Power Corporation file

with the Commission a certified copy of a duly and legally executed resolution of its Board of Directors to the effect that it will not pay any dividends on its common stock unless and until the surplus reported to this Commission on November 30, 1923, at \$3,107,203.14 has, as a result of surplus earnings, been increased to an amount not less than \$4,000,000.00 and to the further effect that it will not pay dividends on such common stock in an amount which will thereafter reduce such surplus to a sum less than \$4,000,000.00.

IT IS HEREBY FURTHER ORDERED that the order in Decision Number 13080, dated January 26, 1924, shall remain in full force and effect except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 13th day of February 1924.

O. S. Seaver

H. B. Brundage

Irving Martin

Egerton Shore

L. W. Whittney

Commissioners.