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Decision No. 13350.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
COAST TRUCK LINE, )  
a corporation, for an order author- ) Application Number 9743  
izing the issuance of 486-1/2 shares )  
of its capital stock. )

H. J. Bischoff, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application Coast Truck Line asks permission to issue and sell at par, less a selling commission of not exceeding ten per cent. of the par value of stock sold, \$25,000.00 of its eight percent. preferred stock and \$23,650.00 of its common stock, and to use the proceeds to provide working capital and to finance the cost of additional equipment.

A public hearing was held before Examiner Williams in Los Angeles on March 14, 1924, at which time the company amended its application so as to ask permission to pay a commission for the sale of its stock of not exceeding fifteen percent. of the par value of stock sold. We will not authorize the payment of a fifteen percent. commission on eight percent. preferred stock.

Coast Truck Line has an authorized capital stock of \$75,000. consisting of 750 shares of the par value of \$100.00 each and divided into 500 shares of common stock and 250 shares of preferred stock. Of the authorized amount, the company reports only \$26,350.00 of common stock outstanding. The company is engaged in operating auto trucks for the transportation of freight between Los Angeles and San Diego,

and Oceanside, and Riverside, and Oceanside and Los Angeles. It appears that the company operates about fifteen trucks, four trailers and three delivery trucks, most of which equipment is leased under agreements providing for the payment of \$45.00 a round trip between Los Angeles and San Diego, \$25.00 a round trip between Los Angeles and Oceanside, and \$40.00 a round trip between Oceanside and Riverside.

Applicant now reports that it has concluded to purchase equipment rather than to continue leasing, it being of the opinion that operations can be conducted less economically with leased equipment. It therefore proposes to acquire about six or seven Moreland or Pierce Arrow trucks at a cost of from \$5,000. to \$6,000. each and to finance such cost through the sale of its stock.

The company also asks permission to use about \$10,000.00 of the proceeds from the sale of the stock to provide working capital. In this connection, Theodore J. Nedderman, applicant's general manager, testified that the company's operations required at least that amount for working capital as the current accounts receivable usually aggregated in excess of \$10,000.00.

#### ORDER

Coast Truck Line, having applied to the Railroad Commission for an order authorizing the issuance of 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 through such issue is reasonably required by applicant for the purposes specified herein, therefore,

IT IS HEREBY ORDERED that Coast Truck Line be, and it is hereby, authorized to issue \$25,000.00 of its eight percent. preferred and \$23,650.00 of common stock.

The authority herein granted is subject to the following conditions:-

1. The stock herein authorized to be issued, shall be sold for cash at not less than par. Of the proceeds realized from the sale of the preferred stock, an amount equal to not more than \$6.00 per share, and of the proceeds realized from the sale of the common stock, an amount equal to not more than \$10.00 per share, may be expended to pay stock selling commissions and other similar expenses. The remainder of the proceeds, together with such amounts allowed for stock selling commissions and other similar expenses, not necessary to be expended for such purposes, shall be used for the purpose of purchasing additional equipment and of providing working capital, as indicated in the opinion which precedes this order.
2. Applicant shall file with the Commission a statement showing the equipment purchased with the proceeds from the sale of the stock herein authorized to be issued and the cost of such equipment.
3. Applicant 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.
4. The authority herein granted to issue and sell stock will become effective upon the date hereof. Under the authority herein granted no stock may be issued, sold

or delivered after February 28, 1925.

DATED at San Francisco, California, this 29<sup>th</sup> day of  
March, 1924

C. Seavey

H. B. ...

Irving Martin

Egerton Shaw

J. F. Whittney  
Commissioners.