

Decision No. 13858.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LOS ANGELES TERMINALS, INCORPORATED,
for permission and an order authorizing issue of capital stock. } Application Number 10313

ORIGINAL

W. A. Barnhill, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make an order authorizing Los Angeles Terminals, Incorporated,

1. To issue and sell for cash at par 250 shares of its capital stock of the aggregate par value of \$25,000.00; and
2. To use the proceeds to be received from the sale of \$10,000. of stock to pay organization and incorporation expenses and to provide working capital; and
3. To use the proceeds to be received from the sale of the remaining \$15,000.00 of stock, when and as needed, for the purposes of carrying on the business of the company.

A public hearing in this matter was held before Examiner Williams in Los Angeles.

Los Angeles Terminals, Incorporated, was organized on or about July 16, 1924, and has an authorized capital stock of \$25,000.00 divided into 250 shares of the par value of \$100. each, all shares being common. The company's Articles of Incorporation, a certified copy of which is filed with the application, permit it, among other things, to do a gener-

al brokerage, commission, forwarding and export business, and to engage in the transportation of freight for hire to and from the harbor of Los Angeles and various ports of the world in foreign countries and ports on the Pacific Coast and ports of the State of California, by means of ocean going steamships and other water craft, and to rent or lease terminal sites and facilities, including the necessary real property and improvements necessary to carry on its business, and to establish and maintain warehouses for the storage of merchandise.

Although the company's Articles of Incorporation permit it to engage in business of a public utility nature, it is of record that its operations, at the outset at least, will be confined to non-public utility business, it being the intention of the company at present, to lease a terminal site in Los Angeles harbor and to act as forwarding agent for freight to be transported by others. Inasmuch as applicant's operations may be enlarged and expanded at some future period to include one or more of the additional activities, both public utility and non-public utility, permitted by the Articles of Incorporation, it has been decided, in order to remove any possible doubt of the validity of the stock to be issued, to file this application with this Commission, although the company's operations, at present, will be of a non-public utility nature. At the same time, so testimony herein shows, a similar application has been filed with the Commissioner of Corporations.

At this time, the record shows, it is proposed to issue and sell only \$10,000. of stock, it being thought that not more than that amount of cash will be necessary to pay the incorporation and organization costs and fees, and to provide the company with working cash capital. The remaining \$15,000. of stock will be sold only when and as found necessary by the company. The order herein, therefore, while authorizing the issue of \$25,000. of stock, will permit of the expenditure at this time of only \$10,000. of the proceeds. Before the remaining \$15,000. of proceeds may be used, applicant must obtain from the Railroad Commission a supplemental order, or orders, authorizing the expenditure.

To obtain such supplemental orders the company should file with the Commission formal requests, for permission to use the proceeds; such requests to show the amount of proceeds it is desired to expend and, in some detail, the purposes for which it is intended to use such proceeds.

O R D E R

Los Angeles Terminals, Incorporated, having applied to the Railroad Commission for permission to issue and sell \$25,000. of stock, a public hearing having been held and the Railroad Commission being of the opinion that the application should be granted, and that the money, property or labor to be procured or paid for through the issue and sale of \$10,000. of stock, is reasonably required at this time for the purposes specified herein and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Los Angeles Terminals, Incorporated, be, and it is hereby, authorized to issue and sell for cash at not less than par, on or before June 30, 1925, two hundred and fifty shares of its common capital stock, of the aggregate par value of \$25,000.

IT IS HEREBY FURTHER ORDERED that Los Angeles Terminals, Incorporated, be, and it is hereby, authorized to use the proceeds to be received from the sale of not exceeding \$10,000. of the stock herein authorized to pay incorporation and organization expenses and to provide working capital.

IT IS HEREBY FURTHER ORDERED that the proceeds to be received by Los Angeles Terminals, Incorporated, from the sale of \$15,000. of the stock herein authorized, may be expended only when and as authorized

by the Commission in a supplemental order or orders.

IT IS HEREBY FURTHER ORDERED that Los Angeles Terminals, Incorporated, 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.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 31st day of July, 1924.

H. B. Burdick
I. W. Martin
J. T. Whitting
Commissioners.