

Decision No. 13954

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
 SOUTH SHORE PORT COMPANY )  
 for an order authorizing the issue ) Application Number 10203  
 of stock. )

O. E. South, and O. W. Whaley, for Applicant.

BY THE COMMISSION :

ORIGINAL

OPINION

In this application South Shore Port Company asks permission to issue and sell, at not less than \$80.00 a share net, 637 shares of its common capital stock of the aggregate par value of \$63,700.00 and to use the proceeds for the purpose of increasing its equipment by the addition of trucks, wharf extensions and boat capacity.

South Shore Port Company is engaged in the business of transporting freight by motor boat and by trucks between the San Francisco water front and points in the Santa Clara Valley. It appears that the company first operated only the boat service to Port <sup>South</sup>Shore in Santa Clara County. Subsequently, by Decision Number 13189, dated February 20, 1924, it acquired from J. J. Hubert the operative right to transport freight by auto stages between Port South Shore and Palo Alto, Mayfield, Mountain View, Sunnyvale, Santa Clara, San Jose, Cupertino, Saratoga, Los Gatos, Campbell, Alviso, Coyote, Morgan Hill, San Martin and Gilroy over all roads and highways and for a distance of two miles, on either side of roads and highways traversed in reaching such communities.

It is reported that applicant is using in its operations two 2-ton Ford trucks and one 4-ton Garford truck and one motor boat,

ninety feet in length and twenty-four feet wide and equipped with a Diesel engine. It appears, however, from the application and from testimony herein, that the increasing volume of business necessitates the purchase of additional equipment. For this reason the company has had its boat lengthened twenty-four feet at a cost of \$7,000.00 and is planning to acquire two additional Garford trucks at a total estimated cost of \$11,000.00.

To obtain the money needed for the cost of these additional facilities and to pay indebtedness of \$38,500.00, which is said to have been incurred in the construction and acquisition of property and equipment now owned by the company, this application has been filed. While permission is asked to sell the \$63,700.00 of stock at 80 net, it is of record in this proceeding that applicant's Board of Directors have passed a resolution to sell no stock at less than 90 net to the company. The order herein will therefore authorize the sale of the stock at not less than 90 per cent of par value net to the company.

#### ORDER

South Shore Port Company, having applied to the Railroad Commission for permission to issue and sell \$63,700.00 of its common capital stock, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through such issue and sale is reasonably required for the purposes specified herein, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that SOUTH SHORE PORT COMPANY be, and it is hereby, authorized to issue and sell on or before June 30, 1925, at not less than 90 per cent of par value net to the company, \$63,700.00 of its common capital stock.

The authority herein granted is subject to further conditions

as follows :-

1. Applicant may use approximately \$18,000.00 of the proceeds to be received from the sale of the stock to finance the cost of the additional truck and boat facilities referred to in the foregoing opinion, and not exceeding \$38,500.00 to pay outstanding indebtedness which has been incurred in the construction and acquisition of property and equipment.
2. The remainder of the net proceeds and such portion of the \$56,500.00 of proceeds not needed for the purposes specified in Condition Number 1, may be used only for such purposes as may be indicated in supplemental orders.
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 Number 24, which order, in so far as applicable, is made a part of this order.
4. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 23<sup>rd</sup> day of August, 1924.

C. L. Seamy  
H. B. Brundage  
Dwight Martin  
F. Whittier  
Commissioners.