

LEM

Decision No. 17821.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
CALIFORNIA TRANSIT CO., )  
a corporation, for an order author- )  
izing the issuance of capital stock.)

Application No. 11996

BY THE COMMISSION:

**ORIGINAL**

FIRST SUPPLEMENTAL OPINION AND ORDER

In a supplemental petition filed in the above entitled matter on December 27, 1926, California Transit Co. asks the Railroad Commission to modify Decision No. 16033, dated March 2, 1926 so as to permit applicant to use \$170,000.00 of the stock, the issue of which is authorized by said decision, to pay a stock dividend.

By Decision No. 16033, as amended, the Commission authorized California Transit Co., among other things, to issue and sell at par for cash, on or before March 31, 1927, 2100 shares of its common capital stock of the aggregate par value of \$210,000.00, provided that the proceeds received be placed in a special deposit and expended only for such purposes as the Commission might authorize in supplemental orders. The company reports that none of this stock has been issued, and that during the year 1926 it has manufactured and put into operation seventeen new twenty-six passenger stages, as shown in some detail in Exhibit "B", at a cost of about \$170,000., and that the cost of such stages was paid by the use of surplus earnings. It further reports a credit balance in its corporate surplus account, as of September 30, 1926, of \$425,164.30, and a reserve for accrued depreciation of \$470,057.37.

We have given consideration to applicant's supplemental petition and are of the opinion that the order in Decision No. 16033 dated March 2, 1926 should be amended, as herein indicated, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 16033, dated March 2, 1926, as amended, be, and it hereby is, modified so as to permit California Transit Co. to use not exceeding \$170,000.00 of the stock authorized therein to reimburse its treasury on account of surplus earnings invested in property and equipment, provided that after such reimbursement applicant may, if it so desires, distribute the \$170,000.00 of stock as permitted by law, to its present stockholders as a stock dividend; and provided further, that the authority herein granted will become effective upon the date hereof.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 16033, dated March 2, 1926, as amended, shall remain in full force and effect, except as modified herein.

DATED at San Francisco, California, this 31<sup>st</sup> day of December, 1926.

H. B. Burdige  
C. L. Seaman  
Leon A. Whisell  
Thos. H. Rowlett  
Commissioners.