

Decision No. 18166

ORIGINAL

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:

SECOND SUPPLEMENTAL OPINION AND ORDER

Da its supplemental petition filed in the above entitled matter on March 28, 1927, California Transit Co. asks the Railroad Commission to make an order authorizing it to declare a stock dividend and to deliver \$40,000.00 of the stock authorized to be issued by Decision No. 16033, dated March 2, 1926, to pay the dividend.

By Decision No. 16033 the Commission authorized applicant to issue and sell, at par for cash, \$210,000.00 of its common capital stock, 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. Thereafter, by Decision No. 17831, dated December 31, 1926, being the first supplemental decision in this proceeding, the Commission authorized the use of \$170,000.00 of such stock for the purpose of reimbursing the treasury on account of surplus earnings invested in property and equipment and thereafter of paying a stock dividend.

In support of the present request to use the remaining \$40,000.00 of the stock authorized by Decision No. 16033, applicant reports that it has manufactured and placed in operation four new twenty-six passenger stages at an aggregate cost of \$40,000.00 which has been financed entirely through surplus earnings. Its surplus unappropriated, as of February 28, 1927, is reported at \$388,001.15 and its reserve for accrued depreciation at \$524,617.43.

We have given consideration to the supplemental petition and are of the opinion that applicant should be authorized to issue the \$40,000.00 of stock for the purpose of reimbursing its treasury on account of surplus earnings invested in equipment. Applicant may distribute the stock as a stock dividend, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 16033, dated March 2, 1926, as amended, be, and it hereby is, further amended so as to permit California Transit Co. to use the remaining \$40,000.00 of the stock authorized by said decision to reimburse its treasury on account of surplus earnings invested in equipment, provided that after such reimbursement applicant may, if it so desires, distribute the \$40,000.00 of stock as permitted by law to its present stockholders as a stock dividend.

IT IS HEREBY FURTHER ORDERED that the time within which California Transit Co. may issue such stock be, and it hereby is, extended to and including April 30, 1927.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof and that the order in Decision No. 16033, dated March 2, 1926, as amended, shall remain in full force and effect except as modified by this order.

DATED at San Francisco, California, this 4th
day of April, 1927.

E. J. Connelley
H. B. Rindge
P. C. Seary
Thos. L. Lott

Commissioners.