

LRK

Decision No. 18968

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTH COAST STEAMSHIP COMPANY,)
a corporation, for order authoriz-)
ing issue of certain shares of its)
stock.)

Application No. 14098.

Goldman & Altman,
by R. S. Goldman, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application South Coast Steamship Company, a corporation, applies for permission to issue and sell, at par for cash, 30 shares of its capital stock of the aggregate par value of \$3,000.00, for the purpose of providing the initial payment under a charter party and of paying operating expenses.

A public hearing in the matter was held before Examiner Fankhauser in San Francisco on October 13, 1927, at which time applicant withdrew its request to issue \$1,000.00 of stock to pay operating expenses.

The record shows that since February 1927, R. W. Myers has been engaged, under the firm name and style of South Coast Steamship Company, in transporting freight by vessel between San Francisco and Monterey. The tariff on file with the

Commission is entitled as follows:-

LOCAL FREIGHT TARIFF NO. 1
Naming Class and Commodity Rates
between
San Francisco, Alameda, Oakland and
Monterey, California
also
Commodity Rates
between
San Francisco, Alameda, Oakland and
Santa Cruz, California
and
Terminal Charges, Privileges and Allowances.

It appears that it has been decided that the business can be conducted in a better fashion by a corporation and that there has been organized South Coast Steamship Company, a corporation, applicant herein, for the express purpose of taking over and operating the business. It is of record that R. J. Walsh has agreed to purchase the stock which applicant asks permission to issue. The evidence further shows that the rates now charged by South Coast Steamship Company will be continued in effect by applicant.

To carry on its business applicant has made arrangements to charter the Steamship "San Antonio" from San Francisco Iron & Metal Company, under the terms of a charter party (Exhibit 1) which provides, among other things, for the payment of \$2,000.00 upon execution of the agreement and of \$500.00 a month thereafter until the total sum of \$11,000.00 has been paid at which time title to the vessel will be transferred to applicant. The "San Antonio" is a two-deck wooden steam schooner; its length is 158.5 feet, breadth 34 feet, depth 19.4 feet, gross tonnage 785 tons, net tonnage 521 tons, and dead weight cargo capacity 650 tons. The testimony indicates that the vessel is in good operating condition. The charter party we believe is an evidence of indebtedness, some of

which indebtedness is payable at more than one year after date. Its execution should therefore be authorized by the Commission.

The corporation proposes to issue and sell \$2,000.00 of its stock at par and to use the proceeds to make the initial payment under the charter party.

ORDER

South Coast Steamship Company, in its application as amended, having requested the Railroad Commission to authorize it to issue and sell \$2,000.00 of its common 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 and sale is reasonably required for the purpose specified herein and that the expenditure for such purpose is not, in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that South Coast Steamship Company, a corporation, be, and it hereby is, authorized to issue and sell, on or before December 31, 1927, for cash, at not less than par, \$2,000.00 of its common capital stock and to use the proceeds for the purpose of making the initial payment of \$2,000.00 under the charter party referred to in the foregoing opinion, which charter party applicant is hereby authorized to execute.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars, and further, that applicant shall keep such record of the issue of the stock herein authorized and of the disposition of the proceeds as will enable it to file a verified report, as required by the Railroad Commission's General Order

No. 24, which order, insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the application in so far as it involves a request to issue \$1,000.00 of stock to pay operating expenses be, and it hereby is, dismissed.

DATED at San Francisco, California, this 25th day of October, 1927.

Ernest G. Smith
Chas. H. Tracy
Leon J. Woodall
Thos. J. Rowlett
M. A. Co.
Commissioners.

Fee \$25.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
OCT 25 1927
A. C. Mackwar
Secretary
Fee \$25.00