

LEM

Decision No. 19293.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PEERLESS STAGES, INCORPORATED,)
a corporation, for an order author-)
izing the issue and sale of its cap-)
ital stock.)

Application No. 13837.

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

Peerless Stages, Incorporated, in its application for a modification of the Commission's Decision No. 18775 dated Sept. 10, 1927, alleges that its investment in equipment is \$62,839.07 in excess of its outstanding stock and depreciation reserve; that it is negotiating to purchase four additional stages at a cost of about \$45,000.; and that therefore it is entitled to issue \$62,000.00 of the eight percent preferred stock, referred to in Decision No. 18775, dated September 10, 1927. From the allegation it might be inferred that the \$62,839.07 represents surplus earnings invested in the company's equipment. Such is not the case, for on September 30th the company shows a surplus of only \$26,131.54. It appears from the company's financial statement that a substantial part of its equipment was purchased through the creation of indebtedness, its total indebtedness on September 30, 1927 being reported at \$189,347.21.

As of the same date the company reports assets and liabilities as follows;-

ASSETS

Plant and equipment:		
Intangible	\$37,478.00	
Imps. leased property	12,201.08	
Machinery, tools, etc.	8,491.51	
Revenue passenger cars	344,596.57	
Service cars	1,400.00	
Furniture and fixtures	9,446.41	
Total plant and equipment		\$413,611.57
Other property		54,200.00
Securities other corporations		1,000.00
Cash		9,329.77
Accounts receivable		37,397.91
Materials and supplies		8,302.14
Prepayments		7,058.42
Other debit accounts		7,958.38
Total assets.....		<u>\$538,858.19</u>

LIABILITIES

Capital stock :		
Preferred-Authorized	\$500,000.00	
Unissued	500,000.00	
Common-Authorized	500,000.00	
Unissued	360,000.00	\$140,000.00
Notes payable		136,882.79
Accounts payable		24,180.42
State tax reserve		17,075.44
Subscriptions		28,284.00
Reserve accrued depreciation		166,304.00
Surplus		26,131.54
Total liabilities.....		<u>\$538,858.19</u>

We believe that the Commission's order in Decision No. 18775 dated September 10, 1927, should be modified so as to permit the company to use the proceeds from the sale of \$62,000.00 of stock to pay indebtedness or to pay for new equipment; therefore,

IT IS HEREBY ORDERED that the order in Decision No. 18775 dated September 10, 1927, be, and the same is hereby modified so as to permit Peerless Stages, Incorporated, to use \$62,000.00 which it may obtain from the issue and sale of the stock authorized by the order in said decision to pay indebtedness or purchase the equipment referred to in said order.

IT IS HEREBY FURTHER ORDERED that the Commission's order in Decision No. 13775 dated September 10, 1927, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 23rd day of January, 1928.

Leon Whalley

W. Searcy

Emmerson

Paul S. ...

M. J. ...

Commissioners.