

general business of merchandising and the raising of farm products of every kind. In connection with such business the company has conducted as a public utility, a transportation business.

The company's "Local Freight Tariff No. 7" now on file with the Commission names class and commodity rates between Oakland, California, and landings on the Sacramento River, San Joaquin River, Mokelumne River, Old River and Middle River, and special commodity rates from such river landings to Oakland, San Francisco and intermediate points. Supplement No. 1 to "Local Freight Tariff No. 7" makes the rates to and from Oakland applicable to and from Encinal Terminals, Alameda, California.

For the purpose of conducting such transportation business the company has acquired four boats; namely, the "Suisun City", having a gross tonnage of 142 and a net tonnage of 73; the "Oakland" having a gross tonnage of 225.28 and a net tonnage of 113; the "Surprise", having a gross tonnage of 129.71 and a net tonnage of 64; and the "Lark" having a gross tonnage of 72.28 and a net tonnage of 37. Mr. George W. Hatch, president of Hunt, Hatch & Company, testified that at times it has been necessary for the company to rent boats to transport all of the commodities offered.

The cost less depreciation of the assets to be transferred is reported as follows:-

Equipment boats:		\$92,576.69
Cost	\$136,246.64	
Less depreciation	<u>43,669.95</u>	
Furniture and fixtures:		2,084.21
Cost	\$ 3,310.42	
Less depreciation	<u>1,226.21</u>	
Improvements on leased property:		935.30
Cost	2,618.51	
Less depreciation	<u>1,683.21</u>	
Merchandise		110.63
Fuel oil		29.58
Stationery and office supplies		500.00
Cash		5,362.31
Accounts receivable		5,179.85
Deferred expense-insurance		816.27
	Total.....	<u>107,594.84</u>
	Less liabilities assumed.....	4,699.09
	Net worth.....	<u>\$102,895.75</u>

For the purpose of segregating the utility and non-utility business of Hunt, Hatch & Company, such company has caused to be organized, the Hunt-Hatch Transportation Company. This company was organized under and by virtue of the laws of the State of California with an authorized capital stock of \$500,000.00, divided into 5,000 shares of the par value of \$100.00 each. Of the authorized stock, \$400,000.00 is represented by common and \$100,000.00 by seven percent cumulative preferred. The preferred stock is at the option of the company redeemable at \$102.00 per share cumulative dividends at any time after three years from its issue. In case of liquidation and dissolution of the company the preferred stockholders are entitled to receive only par and accumulated and unpaid dividends.

We believe that the Hunt-Hatch Transportation Company should be permitted to issue not exceeding \$103,000.00 of common stock to acquire the assets referred to above.

The testimony shows that such stock as Hunt-Hatch Transportation Company may issue will be issued to Hunt, Hatch & Company and that Hunt, Hatch & Company will continue to own the stock and that there will be no change in the manner in which the public utility properties involved in this application will be operated.

No one appeared at the hearing to protest the granting of this application.

ORDER

Hunt, Hatch & Company having asked permission to sell its public utility properties to the Hunt-Hatch Transportation Company,

and said Hunt-Hatch Transportation Company having asked permission to issue stock in payment for said properties, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that Hunt, Hatch & Company should be permitted to sell and transfer said properties to the Hunt-Hatch Transportation Company; that said Hunt-Hatch Transportation Company should be permitted to issue in payment for such properties not exceeding \$103,000.00 of common stock, subject to the provisions and conditions of this order; that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant, Hunt-Hatch Transportation Company; that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:-

1. Hunt, Hatch & Company may transfer its public utility properties described in Application No. 14336 and in Application No. 14337 and in the foregoing opinion, to the Hunt-Hatch Transportation Company.
2. Hunt-Hatch Transportation Company may issue in payment for the aforesaid properties not exceeding \$103,000.00 of common stock, in payment for said properties.
3. Hunt, Hatch & Company or its duly authorized representative, shall unite immediately with Hunt-Hatch Transportation Company, or its duly authorized representative, in common supplement to the tariffs on file with the Commission, Hunt, Hatch & Company on the one hand withdrawing, and Hunt-Hatch Transportation Company on the other hand, accepting and establishing such tariffs and all effective supplements thereto.
4. The rights and privileges, the transfer of which is herein authorized, shall not hereafter be transferred, assigned, leased or sold or operations thereunder discontinued, unless the

written consent of the Railroad Commission has first been secured.

5. Hunt-Hatch Transportation Company shall within thirty days after the transfer of the properties herein authorized, file with the Railroad Commission a copy of the bill of sale or other instrument under which it acquires title to the aforesaid properties.

6. Hunt-Hatch Transportation Company 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 No. 24, which order insofar as applicable, is made a part of this order.

7. Except as otherwise stated herein, the authority granted by this order shall become effective within ten days after the date hereof.

DATED at San Francisco, California, this 16¹⁰ day of February, 1928.

Leon A. White
C. S. Sweeney
Ernest C. Galt
Thos. B. Rutter
M. J. Lee
Commissioners.