

LEM

Decision No. ~~20798~~

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
Yosemite Park and Curry Co., )  
a corporation, for an order of the )  
Railroad Commission of the State of )  
California authorizing the issuance ) Application No. 15366  
of stock. )

Erobeck, Phleger & Harrison, by T. R. Meyer,  
for applicant.

BY THE COMMISSION:

OPINION

In the above entitled matter the Railroad Commission is asked to make an order authorizing Yosemite Park and Curry Co. to issue as a stock dividend shares of its common stock not exceeding in the aggregate par value \$550,000.00, to the holders of its common stock of record as of September 1, 1928, in the proportion to each of said stockholders that the number of common shares held by him bears to the whole number of shares of its common stock issued and outstanding.

It appears that Yosemite Park and Curry Co. is engaged in the business, among others, of operating automobile stage lines for the transportation of passengers, baggage and express between Yosemite National Park and various points in the State of California, and of operating hotels, resorts and conducting other business within the park. In its 1928 annual report to this Commission the company reports transportation revenues at \$476,171.44 and other revenues

at \$2,601,717.36; a total of \$3,077,888.80. Transportation expenses are reported at \$320,296.79 and other expense, including interest, at \$2,529,358.40; a total of \$2,849,655.19, leaving a profit for the year of \$228,233.61.

The application shows that the corporation has an authorized capital stock of \$3,250,000.00, divided into 650,000 shares of the par value of \$5.00 each, of which 250,000 shares of the aggregate par value of \$1,250,000.00 are preferred and 400,000 shares of the aggregate par value of \$2,000,000.00 are common. At present there is outstanding \$780,000.00 of preferred stock and \$1,450,000.00 of common. The assets and liabilities, as of December 31, 1928, are reported as follows:-

ASSETS:

Plant and equipment . . . . .	\$368,685.21
Other property . . . . .	4,279,398.55
Cash . . . . .	23,652.27
Accounts receivable . . . . .	35,572.98
Materials and supplies . . . . .	148,504.36
Prepayments . . . . .	128,582.65
Other debit accounts . . . . .	11,276.00
Total.....	<u>\$5,495,672.02</u>

LIABILITIES:

Capital stock:		
Preferred . . . . .	\$780,000.00	
Common . . . . .	<u>1,450,000.00</u>	\$2,230,000.00
Notes payable . . . . .		350,000.00
Accruals . . . . .		81,208.16
Accounts payable . . . . .		81,244.91
Other credit accounts . . . . .		69,113.44
Reserve for accrued depreciation . . . . .		1,777,567.45
Surplus . . . . .		906,538.06
Total.....		<u>\$5,495,672.02</u>

In making the present request to issue an additional \$550,000.00 of common stock the company reports that since it started operations on March 1, 1925 it had, up to December 31, 1928, accumulated surplus earnings aggregating \$906,538.06, as shown in the foregoing balance sheet. In Exhibit No. 2 it reports expenditures for additions to plant and equipment and other property

of \$2,302,312.98 which the testimony shows was financed with moneys represented by surplus earnings and its reserve for accrued depreciation.

Because of the investment of surplus earnings in property and assets the company desires to issue its stock as a dividend, We believe, however, that under the provisions of Section 52-b of the Public Utilities Act this can only be done through the reimbursement of the company's treasury. The record clearly shows applicant has had surplus earnings in excess of the proposed stock issue and that such earnings have been used for capital purposes. The order, accordingly, will authorize applicant to issue \$550,000.00 of stock to reimburse its treasury. After such reimbursement applicant may, if it so desires, distribute such stock as a stock dividend.

#### ORDER

Yosemite Park and Curry Co., having applied to the Railroad Commission for permission to issue \$550,000.00 of stock, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the application should be granted, as herein provided, and that the issue is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Yosemite Park and Curry Co. be, and it hereby is, authorized to issue at par on or before June 30, 1929, not exceeding \$550,000.00 of its common capital stock for the purpose of reimbursing its treasury because of surplus earnings invested in its plant and equipment and other property.

The authority herein granted is subject to the following conditions;-

(1) After reimbursing its treasury applicant may distribute the stock herein authorized to be issued, to its stockholders, as required and permitted by law, as a stock dividend.

(2) Applicant shall keep such record of the issue and delivery of stock as will enable it to file, within thirty days thereafter, 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.

(3) The authority herein granted will become effective ten days after the date hereof.

DATED at San Francisco, California, this 18<sup>th</sup> day of February, 1929.

Thor D. Lott  
C. H. Seaver  
Ernest J. ...  
Leon Whitehall

Commissioners.