

LBM

Decision No. 20904

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN PACIFIC MOTOR TRANSPORT )  
COMPANY for authority to sell and )  
issue six thousand nine hundred shares )  
of its capital stock at \$100.00 per ) Application No. 15422  
share, and for authority on behalf of )  
Southern Pacific Company to purchase )  
the same. )

E. J. Foulds, for applicants.

BY THE COMMISSION:

O P I N I O N

In the above entitled proceeding the Railroad Commission is asked to make its order authorizing Southern Pacific Motor Transport Company to issue and sell, for \$100.00 a share, 6900 shares of its common capital stock, without nominal or par value, and authorizing Southern Pacific Company to purchase the same.

Southern Pacific Motor Transport Company is a corporation organized on or about April 16, 1927, under the laws of the State of California and at present engaged in operating auto stages for the transportation of passenger, freight, baggage, express and mail in various portions of the State of California, Nevada, Oregon, New Mexico, Arizona and Texas. It has an authorized capital stock of 10,000 shares without nominal or par value, of which 3100 shares now

are outstanding, having been issued under authority granted by the Commission by Decision No. 18407, dated May 25, 1927 and Decision No. 19207, dated January 3, 1928. The company has no bonded or other indebtedness except current liabilities and advances from Southern Pacific Company. As of December 31, 1928 it reports its assets and liabilities as follows:-

ASSETS:

Plant and equipment . . . . .		\$766,982.53
Investments in affiliated companies . . . . .		560,388.75
Current assets:		
Cash . . . . .	\$23,186.17	
Accounts receivable . . . . .	118,627.81	
Materials and supplies . . . . .	15,988.60	
Other . . . . .	109.07	157,911.65
Deferred assets . . . . .		25,273.44
Unadjusted debits . . . . .		2,407.82
Total assets . . . . .		<u>\$1,512,964.19</u>

LIABILITIES:

Capital stock . . . . .		\$ 310,000.00
Advances from Southern Pacific Company . . . . .		851,944.72
Current liabilities:		
Accounts payable . . . . .	90,055.73	
Accrued taxes . . . . .	1,016.93	91,072.66
Unadjusted credits . . . . .		83,205.76
Reserve for accrued depreciation . . . . .		123,798.37
Surplus . . . . .		52,942.68
Total liabilities . . . . .		<u>\$1,512,964.19</u>

In making this application to issue its remaining authorized stock of 6900 shares, applicant reports in detail in paragraph "V" of its petition, that it has acquired or has made arrangements to acquire, additional stages and other equipment in the aggregate amount of \$695,552.78, which has not been included in previous applications for authority to issue stock. It is reported that the cost of the additional property was paid or provided with moneys advanced by Southern Pacific Company and it appears that Southern Pacific Company, which now holds the outstanding 3100 shares of applicant's stock, will purchase the proposed additional issue of 6900 shares at the

price of \$100.00 a share.

O R D E R

Southern Pacific Motor Transport Company, having applied to the Railroad Commission for permission to issue 6900 shares of stock, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of such stock 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 Southern Pacific Motor Transport Company be, and it hereby is, authorized to issue and sell on or before June 30, 1929 to Southern Pacific Company, 6900 shares of its common capital stock at \$100.00 a share, for the purpose of paying in part advances made by Southern Pacific Company and used to acquire the property referred to in the foregoing opinion and described in this application.

IT IS HEREBY FURTHER ORDERED that Southern Pacific Company be, and it hereby is, authorized to acquire at \$100.00 a share, the 6900 shares which Southern Pacific Motor Transport Company is herein authorized to issue, and to hold the same.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof, and further, that Southern Pacific Motor Transport Company 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, 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.

DATED at San Francisco, California, this 22<sup>nd</sup> day of  
March, 1929.

Thos D Lottis

C. Seaman

Ernest Scott

W. A. Cunn

Commissioners.