

LBM

Decision No. 21847 .

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
MARR FREIGHT TRANSIT, INC.,) Application No. 16075
for order authorizing the issue of stock.)

A. T. Ward, for applicant.

BY THE COMMISSION:

O P I N I O N

Marr Freight Transit, Inc. asks permission to issue and sell 50 shares of its common capital stock of the aggregate par value of \$5,000.00, for the purpose of providing working capital and of financing in part the cost of additional equipment.

The records of the Commission show that Marr Freight Transit, Inc. is a corporation organized on or about December 18, 1926 and engaged in the business of transporting freight by motor trucks between the Los Angeles Harbor District and the City of Los Angeles, and within the city. The company has an authorized capital stock of \$100,000.00, divided into \$30,000.00 of seven percent preferred stock and \$70,000.00 of common stock, of which \$16,700.00 of common is now outstanding.

Financial reports filed by the company with the Commission show that the volume of the company's business has been increasing rapidly since its organization, gross revenues being reported at \$65,811.91 during 1927, \$84,581.65 during 1928, and \$80,790.60 during

the first nine months of 1929, and net profit at \$5,734.05 for 1927, \$7,593.71 for 1928 and \$9,313.16 for the first nine months of 1929. The assets and liabilities as of October 1, 1929 are reported in the application as follows:-

<u>ASSETS:</u>		
Fixed assets:		
Trucks	\$32,115.17	
Office equipment	740.16	
Lease improvements	<u>169.13</u>	\$33,024.46
Franchise		1.00
Securities of other corporations		1,500.00
Current assets:		
Cash	9,432.60	
Freight receivable	2,733.08	
Advances receivable	6,179.28	
Deposit on truck	<u>450.00</u>	18,794.96
Deferred charges		<u>1,821.36</u>
Total assets.....		<u>\$55,141.78</u>
<u>LIABILITIES:</u>		
Capital stock-Common		\$16,700.00
Current liabilities:		
Accounts payable	\$ 500.00	
Purchase contracts	112.00	
Accruals	<u>416.62</u>	1,028.62
Reserve for depreciation		16,500.88
Surplus		<u>20,912.28</u>
Total liabilities.....		<u>\$55,141.78</u>

The company reported 14 trucks and trailers in use at the close of 1927, 19 at the close of 1928 and 24 on October 1, 1929.

The \$16,700.00 of stock now outstanding was issued under authority granted by Decision No. 20149, dated August 24, 1928. In that decision the Commission permitted the company to issue \$14,200. of stock to pay for properties and to issue and sell for cash at not less than par on or before December 31, 1928, \$5,000.00 of stock to pay indebtedness, to pay a part of the cost of additional truck equipment and to provide working capital. Reports filed thereafter, under the Commission's General Order No. 24, show the issue

of the \$14,200.00 of stock for properties, and the sale for cash prior to the expiration of the authority granted, of \$2,500.00 of stock, for the purpose of financing \$1,375.00 of the cost of additional truck equipment and of providing \$1,125.00 of working capital.

In again requesting authority to issue stock the company reports that it needs additional working capital to pay advances to steamship companies and to make the down payments on trucks and trailers required in its business. In reviewing the application herein and the financial statements of the company on file, it appears to us that applicant's assets and earnings are ample to support an additional issue of \$5,000.00 of stock and that the request of applicant is not unreasonable.

An order accordingly will be entered.

ORDER

Marr Freight Transit, Inc., having applied to the Railroad Commission for permission to issue \$5,000.00 of stock and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary, and that the money, property or labor to be procured or paid for through such issue is reasonably required for the purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Marr Freight Transit, Inc. be, and it hereby is, authorized to issue and sell at not less than par for cash, on or before December 31, 1930, \$5,000.00 of its common capital stock and to use the proceeds to provide working capital and

to pay part of the purchase price of additional equipment.

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

- (1) Applicant shall keep such record of the issue and sale 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.
- (2) The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 2nd day of December, 1929.

Thomas B. Laidley
Ch. J. ...
Leon ...

Commissioners.