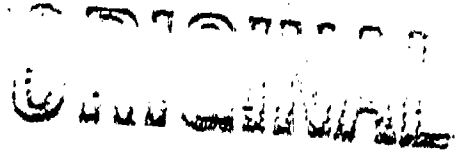


Decision No. 22347


BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 LOS ANGELES-SAN FRANCISCO NAVIGATION
 COMPANY, a corporation, for an order
 approving and authorizing the issue and
 sale of Five Hundred (500) Shares of
 its capital stock, and approving and author-
 izing the purchase and acquisition by it of
 the property and assets of A. E. GILLESPIE,
 J. P. BAETJE, and E. G. BAUGHMAN, doing
 business under the firm name and style of
 Los Angeles-San Francisco Navigation Co.;
 and of A. E. Gillespie, J. P. Baetje, and
 E. G. Baughman for an order approving and
 authorizing the sale and transfer of their
 said property and assets to said Los Angeles-
 San Francisco Navigation Company, a corpor-
 ation.) Application No. 16329

Sanborn, Roehl, Smith and Brookman,
 for applicants.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Railroad Commission is asked to make an order authorizing A. E. Gillespie, J. P. Baetje and E. G. Baughman to sell and transfer certain properties to Los Angeles-San Francisco Navigation Company, a corporation, and authorizing the corporation to issue \$50,000.00 par value of its common capital stock.

The application shows that A. E. Gillespie, J. P. Baetje and E. G. Baughman heretofore have been engaged in the business, under the firm name and style of Los Angeles-San Francisco Navigation Company, of operating vessels as common carriers of persons and property upon the high seas, in the coastwise trade, principally between San Francisco and Los Angeles.

It seems that on or about December 13, 1928, the co-partners caused to be organized the Los Angeles-San Francisco Navigation Company, a corporation, and thereafter transferred to it, their properties and business, the corporation issuing \$50,000.00/ ^{of its common capital stock.} The co-partners did not apply to the Railroad Commission for permission to transfer properties, nor did the corporation for permission to issue stock. It clearly appears to us, however, that their failure to do so was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. When the matter of the necessity for obtaining this Commission's approval was brought to their attention, they filed the present application.

In making the application the parties have filed as Exhibit "C", a financial statement, as of December 31, 1929, showing assets and liabilities as follows:

ASSETS

Cash on hand and in banks.....	\$11,644.81	
Securities	52,705.44	
Notes receivable.....	500.00	
Furniture and fixtures.....	\$5,846.19	
Less depreciation.....	2,067.22	3,778.97
S.S. Humboldt.....	28,560.00	
Less depreciation.....	15,941.97	12,618.03
Coffee stock.....		563.07
Due from agents and pursers.....		16,703.69
Unexpired insurance.....		800.00
		<u>\$99,314.01</u>

LIABILITIES

Accounts payable.....	\$22,093.39
Wages due.....	565.58
Reserve for insurance.....	20,071.48
Net worth.....	<u>56,580.56</u>
	<u>\$99,314.01</u>

From an examination of the financial statements set forth in the application and in annual reports filed with the Commission, it occurs to us that the issue of \$50,000.00 is not unreasonable.

An order accordingly will be entered.

ORDER

Application having been made to the Commission for an order authorizing the transfer of properties and the issue of stock, and it appearing to the Commission that this is not a matter in which a public hearing is necessary, that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for through the issue of the 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 A. E. Gillespie, J. P. Beetje and E. G. Baughman be, and they hereby are, authorized to sell and transfer, and Los Angeles-San Francisco Navigation Company, a corporation, be, and it hereby is, authorized to purchase and acquire the business, assets and properties referred to in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that Los Angeles-San Francisco Navigation Company, a corporation, be, and it hereby is, authorized to issue \$50,000.00 of its common capital stock, on or before June 30, 1930, for the following purposes:

- a- In payment for the equity in the business, assets and properties herein authorized to be conveyed...\$49,700.00
- b- For cash, at par, to provide working capital..... 300.00

The authority herein granted is subject to the following conditions:

1. Applicant corporation 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.

2. The authority herein granted will become effective twenty days after the date hereof.

DATED at San Francisco, California, this 22d day of March, 1930.

C. Scammy

Wm. J. Conroy

W. J. Conroy

Commissioners