

Decision No. 22388

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
MOTOR SERVICE EXPRESS, )  
a corporation, for an order author- )  
izing the issuance of 1,000 shares )  
of its capital stock. )

Application No. 16909

ORIGINAL

H. J. Bischoff for applicant.

BY THE COMMISSION:

OPINION

In this proceeding Motor Service Express, a corporation, asks permission to issue 1,000 shares (\$100,000.00) of its capital stock, consisting of 500 shares of common and 500 shares of eight percent cumulative preferred stock, for the purpose of reducing its indebtedness and providing itself with additional working capital.

Applicant has an authorized stock issue of \$300,000.00, divided into 3,000 shares of \$100.00 each, such shares consisting of 2,000 shares of common and 1,000 shares of preferred. The company now has outstanding \$5,700.00 of capital stock which was issued under the authority granted by Decision No. 15952, dated February 8, 1926.

As of August 31, 1930, applicant reports in its Exhibit No. 1 assets and liabilities as follows:

ASSETS

Land, buildings, equipment, tires, furniture and fixtures.....	\$164,282.14
Less-accrued depreciation.....	78,471.72
Net cost.....	<u>85,810.42</u>
Cash in bank.....	3,194.13
Notes receivable.....	4,334.65
Accounts receivable.....	15,062.29
Prepayments and materials and supplies.....	1,778.48
Other investments.....	<u>6,734.92</u>
Total Assets.....	<u>\$116,914.89</u>

LIABILITIES

Capital stock.....	\$ 5,700.00
Mortgages.....	11,700.00
Due stockholders.....	24,850.00
Due Coast Truck Line.....	39,649.01
Due on equipment contracts.....	24,371.60
Deferred contracts.....	10,534.11
Accounts payable.....	6,052.95
Deficit.....	<u>5,942.78</u>
Total Liabilities.....	<u>\$116,914.89</u>

The company is asking permission to issue its stock to pay indebtedness and provide itself with working capital. It is the intention of the company, if authorized by the Commission, to deliver \$39,649.01 of its preferred stock to the Coast Truck Line in payment for the indebtedness due it and the remainder, \$20,350.99, to stockholders in payment of amounts due them. The common stock would be issued, first, to pay the balance due the company's stockholders; second, to pay amounts due on equipment contracts; and, third, for working capital. An examination of the company's revenues and expenses and its articles of incorporation leads us to believe that the company should not be permitted to issue any preferred stock. The order herein will authorize the company to issue \$100,000.00 of common stock for the purposes specified therein.

ORDER

Motor Service Express having applied to the Railroad Commission to issue \$50,000.00 of common and \$50,000.00 of preferred stock, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the company should be permitted to issue \$100,000.00 of common stock for the purposes herein stated, that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required for the purposes herein stated and that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Motor Service Express be, and it is hereby, authorized to issue and sell at not less than par, on or before December 31, 1930, not exceeding \$100,000.00 of its common capital stock and use the proceeds obtained from the sale of such stock, or use such stock to pay the following indebtedness, and for working capital in the following amounts:

1. Amount due Coast Truck Line.....	\$ 39,649.01
2. Amount due stockholders.....	24,850.00
3. Amount due on equipment contracts.	24,371.60
4. Working capital.....	<u>11,129.39</u>
Total.....	<u>\$100,000.00</u>

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof and that applicant shall keep such record of the issue and sale of the stock herein authorized and 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 Commission's General Order No. 24, which

order, insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 21<sup>st</sup> day  
of October, 1930.

O. S. Adams

Leon Williams

Thos. S. Lattin

H. M. Mearns

Commissioners.