

Decision No. 25450

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
IRVINE PIPE LINES, LTD. )  
for an order authorizing the issue ) Application No. 17472  
of stock and bonds. )

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

ORIGINAL

The Railroad Commission by Decision No. 23951, dated August 17, 1931, authorized Irvine Pipe Lines, Ltd., among other things, to issue and sell for cash at not less than par, \$100,000. par value of its common capital stock and to use fifteen percent of the proceeds, if necessary, to pay commissions and expenses incident to the issue and sale of the stock, and the remainder of the proceeds to finance in part the cost of constructing a six inch pipe line and appurtenances for the public transportation of oil from the City of Santa Barbara northerly and westerly, a distance of some 66,000 feet, to the Bishop Ranch, which cost, as set forth in Exhibit "A" filed with the original application herein on August 5, 1931, was estimated at \$125,000.00. The Commission's decision also authorized applicant to issue \$50,000.00 of six percent bonds.

Subsequent to the making of Decision No. 23951, the Commission entered its first supplemental order in this proceeding, Decision No. 24951, dated June 27, 1932, whereby among other things; it directed that the proceeds from the stock in excess of the fifteen percent authorized to be used to pay commissions and expenses, be placed in a special bank account and withdrawn only when and as authorized by the Commission.

In a supplemental petition filed on December 6, 1932, applicant reports that prior to the date of the first supplemental order, it issued and sold \$6,825.00 par value of its stock, and that after the date of such order it sold \$11,000.00 par value to various individuals and \$82,175.00 par value to A. B. Slack, Curtis Willock, Mrs. Curtis Willock and Jessie Willock. Under the provisions of Decision No. 24951 it placed in a special bank account the sum of \$79,198.75, being eighty-five percent of the \$93,175.00 of stock sold subsequent to the date of the decision. In addition, it placed an additional sum of \$5,801.25 in the special account, bringing the total impounded, up to \$85,000.00.

It is reported that due to differences in opinion concerning the conduct of applicant's affairs A. B. Slack, Curtis Willock, Mrs. Curtis Willock and Jessie Willock desire to rescind their purchase of \$82,175.00 of stock, and that applicant is willing to have the purchase rescinded. It is reported that the expenses of the sale of such stock did not amount to fifteen percent of the par value, but only to \$3,601.00, and that the four purchasers have agreed to pay such expenses and certain other expenses, such as the presenting of this supplemental petition, amounting to \$399.00. The actual sum thus to be paid back by reason of the rescission will be \$78,175. in lieu of the \$82,175.00 originally paid for the stock. The company therefore asks permission to withdraw stock money from the special account.

The company reports that it has taken up with other persons the sale of its stock and has sales under negotiation or practically completed and will be able within a reasonable time to dispose of all of the stock coming back into its treasury by virtue of the rescission of the sale of the \$82,175.00 of stock. It states, however, that it may not be able to sell all of its stock or bonds

by December 31, 1932, when the authority granted by the Commission will expire, and it asks accordingly for an extension of time.

The Commission is of the opinion that a hearing on the supplemental petition is not necessary and that the company's requests should be granted, therefore,

IT IS HEREBY ORDERED, that Irvine Pipe Lines, Ltd., be, and it hereby is, authorized to withdraw from its special bank account, and its general funds, the sum of \$78,175.00 and pay the same to A. B. Slack, Curtis Willock, Mrs. Curtis Willock and Jessie Willock, because of the rescission of the sale to them of \$82,175.00 of its capital stock, provided that upon making such payment there be surrendered to applicant said \$82,175.00 par value of stock.

IT IS HEREBY FURTHER ORDERED, that the time within which Irvine Pipe Lines, Ltd. may issue and sell the stock and bonds authorized by Decision No. 23951, dated August 17, 1931, as amended, be, and it hereby is, extended to and including June 30, 1933.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 23951, dated August 17, 1931, as amended, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 10<sup>th</sup> day of December, 1932.

*D. J. Seaver*

*W. A. Lee*

*M. B. Harris*

*Fred G. Stewart*

Commissioners.