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Decision No. 10244.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
BAKERSFIELD AND LOS ANGELES FAST ) Application Number 7599.  
FREIGHT COMPANY for an order auth- )  
orizing the issue of stock. )

ORIGINAL

George Clark, for Applicant.

BY THE COMMISSION:

O P I N I O N

BAKERSFIELD AND LOS ANGELES FAST FREIGHT COMPANY asks permission to issue \$12,000.00 of common stock at par to reimburse its treasury on account of earnings used in its business. A hearing was had on this application before Examiner Williams at Los Angeles on March 17th.

Applicant has an authorized stock issue of \$25,000. divided into 250 shares of \$100 each. Stock in the amount of \$5,000. is reported outstanding. Of the outstanding stock, \$2500. is owned by George M. Duntloy; \$1250. by Earl Smith; and \$1250. by B.M. Kates.

In Exhibit "A" applicant reports its assets and liabilities as follows:-

<u>ASSET ACCOUNTS</u>	
Cash . . . . .	\$1,862.57
Accounts Receivable . . . . .	1,755.16
Autos and trucks . . . . .	44,637.74
Office equipment . . . . .	2,175.46
Deferred charges . . . . .	508.99
Intangible property-franchises . . . . .	4,000.00
TOTAL . . . . .	<u>\$54,939.92</u>
<u>LIABILITY ACCOUNTS</u>	
Accounts payable . . . . .	\$4,048.53
Notes payable . . . . .	8,728.18
Leased contracts . . . . .	14,258.27
Reserves for depreciation . . . . .	10,658.47
Stock outstanding . . . . .	5,000.00
Surplus . . . . .	12,246.47
TOTAL . . . . .	<u>\$54,939.92</u>

The company's gross operating revenues for 1921 are reported at \$92,863.52. Its operating expenses, taxes, depreciation, interest and other charges amounted to \$82,673.54, leaving a surplus amounting to \$10,189.98 for 1921. The surplus up to December 31, 1920 is reported at \$2,056.49, which added to the \$10,189.98 makes an accumulated surplus of \$12,246.47 on December 31, 1921.

The record shows that all of this surplus has been invested in applicant's business.

It is applicant's intention to distribute the stock, if this application is granted, for the purpose of paying salaries and dividends. The salaries due officers and not paid, amount to \$7,920. Instead of paying these salaries, which are for 1921, applicant has invested earnings sufficient to pay them, in its business. The stock which will be issued by applicant pursuant to the authority herein granted, will be distributed to applicant's present stockholders and held by them in the same proportion as they now own stock of the company.

Stock in the amount of \$6,000. will be delivered to George M. Duntley; stock in the amount of \$3,000. to Earl Smith ; and stock in the amount of \$3,000. to B. M. Kates.

O R D E R

BAKERSFIELD AND LOS ANGELES FAST FREIGHT COMPANY, having applied to the Railroad Commission for permission to issue \$12,000. of stock for the purpose of reimbursing its treasury on account of earnings invested in its business, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue, is reasonably required by applicant;

IT IS HEREBY ORDERED that BAKERSFIELD AND LOS ANGELES FAST FREIGHT COMPANY be, and it is hereby. authorized to issue and sell at not less than par on or before June 30, 1922, common stock in the amount of not exceeding \$12,000. par value for the purpose of reimbursing its treasury on account of earnings used to pay for truck equipment and other properties.

The authority herein granted is subject to further conditions as follows:-

- 1..... After the reimbursement of applicant's treasury through the issue of the \$12,000. of stock, said stock may be distributed to applicant's officers and stockholders in payment of salaries and dividends.
- 2.... Bakersfield and Los Angeles Fast Freight Company 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 in so far as applicable, is made a part of this order.

DATED at San Francisco, California, this 25<sup>th</sup> day of March, 1922.

H. B. Brundage

George Martin

H. B. Brundage

Commissioners.