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Decision No. 11357.

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
LOS ANGELES SAN PEDRO TRANSPORTATION )  
COMPANY, INC., for order authorizing )  
issue of stock. )

Application No. 8460

Smith & Bryer for applicant.

BY THE COMMISSION:

O P I N I O N.

In this application, LOS ANGELES-SAN PEDRO TRANSPORTATION COMPANY, INC., asks the Railroad Commission to make its order authorizing it to issue and sell, at par, \$13,730.00 of its capital stock and to use the proceeds to pay outstanding notes and accounts payable.

The record shows that Los Angeles-San Pedro Transportation Company, Inc., was organized on or about August 15, 1918, with an authorized capital stock of \$50,000.00, divided into 5000 shares of the par value of \$10.00 each, of which, stock of the par value of \$36,270.00 is outstanding. The company is engaged in a general truck, transfer, shipping, receiving and forwarding business, consisting mainly, however, in hauling freight between the business center of the City of Los Angeles and the harbor district at Wilmington and San Pedro. It reports its assets and liabilities, as of November 1, 1922, as follows:-

ASSETS:

Plant and Equipment, . . . . .	\$83,931.78
Stock, . . . . .	1,033.65
Cash, . . . . .	6,944.54
Accounts receivable, . . . . .	2,074.33
Prepayments, . . . . .	15,334.28
Other debit items, . . . . .	<u>3,708.09</u>
Total <u>ASSETS</u> , . . . . .	\$113,026.67

LIABILITIES:

Capital stock, . . . . .	\$ 36,270.00
Premium on capital stock, . . . . .	2,686.00
Notes payable, . . . . .	26,186.42
Accounts payable, . . . . .	9,278.15
Reserve, . . . . .	20,073.76
Surplus, . . . . .	<u>18,532.34</u>
Total <u>LIABILITIES</u> , . . . . .	\$113,026.67

The company reports its total income for the ten months ending November 1, 1922, as \$156,444.66, and its expenses, including \$14,517.77 for depreciation, as \$143,116.13, leaving a net profit for the period of \$13,328.53. During the last three years, dividends have been paid on the outstanding stock at the rate of eight per cent. per annum.

The application shows that the company has in service nineteen trucks and twelve trailers, the original cost of which is reported as \$82,658.38, and the inventory valuation as \$73,803.19. Other assets have been inventoried as \$9,116.81.

Applicant reports that due to the growth in its business it was found necessary to incur indebtedness to purchase additional equipment and terminal facilities. Its indebtedness, as shown in the foregoing balance sheet, consists of \$26,186.42 of short term notes payable and \$9,278.42 of accounts payable. It is now proposed to refund this indebtedness, in part, with proceeds from the sale of the stock herein applied for.

We are of the opinion that applicant's assets are ample to support the issue of an additional \$13,730.00 of stock and that its request should be granted, subject to the conditions of the following order.

O R D E R .

LOS ANGELES-SAN PEDRO TRANSPORTATION COMPANY, INC., having applied to the Railroad Commission for permission to issue \$13,730.00 of stock, and the 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 of stock is reasonably required by applicant for the purpose specified herein;

IT IS HEREBY ORDERED, that LOS-ANGELES SAN PEDRO TRANSPORTATION COMPANY, INC., be, and it is hereby, authorized to

issue and sell 1375 shares (\$13,730.00) of its capital stock and to use the proceeds to pay, in part, its current liabilities referred to in the foregoing opinion.

The authority herein granted is subject to the following conditions:

- (1) Applicant may sell the stock herein authorized, at not less than its par value, on or before June 30, 1923.
- (2) 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 in so far as applicable is made a part of this order.

DATED at San Francisco, California, this 13<sup>th</sup> day of December, 1922.

W. A. Bundy  
Wm. Martin  
Chas. Howell

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Commissioners.