

Decision Number 11549.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )	
DELTA NAVIGATION COMPANY, )	
a corporation, for authority to is- )	Application Number 8513.
sue and sell its capital stock. )	

Sanborn & Roehl and DeLancey C. Smith,  
by Arthur Roehl, for Applicant.

ORIGINAL

MARTIN, Commissioner:

O P I N I O N

DELTA NAVIGATION COMPANY asks permission to issue and sell at par ten shares of its capital stock to each of its directors, namely J. P. Irish, Jr., A. R. Roehl, E Hall, D. C. Smith and W. E. Tuggle; and to issue and sell at not less than 85 percent. of its par value net \$199,400.00 of common stock and use the proceeds to acquire the property and floating equipment now being used under the name of "Colberg Launches" in the business of transporting as a common carrier by water, persons and property, between Stockton and points on the Sacramento and San Joaquin Rivers and their tributaries.

Applicant was organized on or about April 6, 1921 with an authorized stock issue of \$200,000.00 divided into 20,000 shares of \$10.00 each. The equipment which applicant intends to acquire through the issue of \$199,400.00 of its stock is listed in Exhibit "B" filed in this proceeding and appraised at \$172,500.00. The property consists of the following:-

INVENTORY OF PROPERTY

APPRAISED VALUE

Delta No. 2		\$18,500.
" " 3		18,500.
" " 5		18,500.
" " 6		18,500.
Neita		4,500.
Alamo		9,000.
Anteros		14,000.
Bouldin		14,000.
Stockton		10,000.
Holland		14,500.
Joaquin		10,000.
WMC		7,500.
Ark 1		1,750.
" 2		1,750.
" 3		1,000.
" 4		750.
" 5		1,000.
" 6		1,000.
Office and dock		2,000.
Fuel station		5,750.

TOTAL . . . . . \$172,500.00

The launches named Delta No. 2, No. 3, No. 5 and No. 6 have formerly been operated by the Delta Transportation Company. The other launches, equipment and property was formerly operated by Colberg Bros. The Delta Transportation Company and Colberg Bros. operated their launches at a loss under competitive conditions. On November 6, 1921 the owners of the launches entered into a pooling agreement whereby the operation of their launches was unified, duplicate operations eliminated and the service extended.

In Applicant's Exhibit No. 1 the operating revenues and expenses of the properties under the pooling arrangement for the 12 months ending November 6, 1922 is reported as follows:-

REVENUES

Passenger . . . . .	\$91,755.42	
Freight . . . . .	<u>26,396.50</u>	\$118,151.92

EXPENSES

General expenses . . . . .	\$ 2,054.35	
Manager's salary . . . . .	2,614.20	
Oil, gas and distillate. . . . .	29,583.80	
<u>Labor:</u>		
Boat . . . . .	30,088.29	
Office . . . . .	4,375.00	
Dock . . . . .	4,101.25	
Driver . . . . .	469.30	
Rent and wharfage . . . . .	1,846.89	
Repairs . . . . .	8,910.05	
Automobile expense. . . . .	598.40	
Office supplies, etc. . . . .	138.10	
War tax . . . . .	1,202.06	
Other taxes . . . . .	217.74	
<u>Insurance:</u>		
Fire and general . . . . .	2,819.11	
Compensation . . . . .	1,206.55	
Loss and damage claims . . . . .	<u>60.01</u>	90,285.10

NET REVENUES . . . . . \$ 27,866.82

Allowable depreciation at 5% on value of  
property as specified in application. . . . . 8,850.00

NET INCOME . . . . . \$ 19,016.82

The net income represents about eleven per cent. on the appraised value of the properties as reported by applicant.

Applicant requests permission to issue and sell \$199,400.00 of its stock at not less than 85 per cent. of its par value net and use the proceeds to acquire the launches, equipment and properties listed on a preceding page, or to issue and sell the said \$199,400.00 of stock to Benjamin Walters and John T. Currey of Stockton in exchange for the launches, equipment and properties. We believe that applicant should issue stock for the purpose of acquiring the launches, equipment and properties at par and the order herein will permit of the issue of \$172,500.00 of stock for such purpose.

I herewith submit the following form of order:-

O R D E R

DELTA NAVIGATION COMPANY having applied to the Railroad Commission for permission to issue \$199,900.00 of stock, a public hearing having been held and the Commission being of the opinion that applicant should be authorized to issue \$173,000.00 of stock, and the money, property or labor to be procured or paid for by such issue is reasonably required by applicant, and that this application should be granted, as herein provided:

THEREFORE, IT IS HEREBY ORDERED that DELTA NAVIGATION COMPANY be, and it is hereby, authorized to issue \$173,000.00 of common stock. The authority herein granted is subject to the following conditions:-

1. Stock in the amount of \$172,500. shall be sold by applicant for cash at not less than par and the proceeds used to pay for the launches, equipment and properties described in Exhibit "B" filed in this proceeding and referred to in the foregoing opinion, or may be issued at par to Benjamin Walters and John T. Currey in exchange for said launches, equipment and properties.
2. Stock in the amount of \$500.00 shall be sold by applicant for cash for the purpose of qualifying its directors and the proceeds used as working capital.
3. Delta Navigation Company shall keep such record of the issue, sale and delivery 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.

4. The authority herein granted will become effective on the date herein but will expire on July 1, 1923.

IT IS HEREBY FURTHER ORDERED that this application, in so far as it relates to the issue of \$26,900.00 of stock, be dismissed without prejudice.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 24<sup>th</sup> day of January, 1923.

C. A. Seavey

Irving Martin  
Egerton Shore

Commissioners.