

ORIGINAL

Decision No. ✓

Decision No. 1506

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
 of Southern California Gas Company )  
 for additional time in which to ) Application No. 568  
 issue \$750,000 preferred stock. )

Carl Taylor for applicant

EDGERTON, Commissioner.

O P I N I O N

This Commission has heretofore by order and supplemental order authorized applicant to sell \$750,000 par value of its preferred stock. Acting under said orders applicant delivered to N. W. Halsey and Company of New York certificates for the entire amount of stock so authorized. Thereafter, all but \$325,000 par value of said stock was disposed of to European investors. Prior to the expiration of the orders of the Commission Halsey and Company gave credit to Southern California Gas Company for \$325,000 par value of this stock at a price of 80 and entered such credit upon its books.

Thereafter, and before the actual delivery of the money to Southern California Gas Company, the order of the Commission expired by reason of the limitation of time prescribed therein, and some question has arisen as to whether or not the delivery of the certificates of stock to Halsey and Company and the entry by said company upon its books of a credit for the purchase price of said stock is technically an issue of this stock as defined by this

Commission, to-wit, a delivery for value.

I am satisfied from the evidence in this matter that there was a real intention upon the part of Halsey and Company to purchase this stock, and that the entry of a credit for the purchase price upon its books in favor of Southern California Gas Company was equivalent to the delivery of the money, and, therefore, I recommend that this application be granted, and that an order be made authorizing Southern California Gas Company to sell to N. W. Halsey and Company \$325,000 par value of its preferred stock under the terms and conditions of the orders heretofore made herein.

I submit herewith the following form of order:

#### O R D E R

Application having been made by Southern California Gas Company for an order authorizing the sale of \$325,000 par value of its preferred stock, and a hearing having been duly held and it appearing to the Commission that the purposes for which the proceeds of the sale of said stock are to be used are not in whole or in part reasonably chargeable to operating expenses or to income, and that the purposes for which said proceeds are to be used are such as are set out in the Public Utilities Act,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Southern California Gas Company is hereby authorized to sell to N. W. Halsey and Company \$325,000 par value of its preferred stock.

Said stock shall be issued and sold under all of the conditions set out in the orders heretofore made herein.

The foregoing opinion and order are hereby  
approved and ordered filed as the opinion and order  
of the Railroad Commission.

Dated at San Francisco, California, this  
14th day of May, 1914.

John W. Eschman  
H. J. Loveland  
Oliver Gordon  
Max Thelen  
Edmund Q. Edgerton

Commissioners.