

ORIGINAL

Decision No. 5070

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

* * *

In the Matter of the Application of)
 PICKWICK STAGES, NORTHERN DIVISION,)
 a corporation, for an order author-) Application Number 3436.
 izing the issue and sale of stock.)

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Charles F. Wren for applicant.

GORDON, Commissioner.

OPINION .

In this application PICKWICK STAGES, NORTHERN DIVISION, a corporation, asks authority to issue \$15,000.00 par value of its common capital stock in exchange for the properties of Pickwick Stages, Northern Division, a co-partnership. The co-partnership consists of Charles F. Wren, Stella W. Wren and Edith A. Wren. It operates an auto stage line between Los Angeles, Santa Barbara and Atascadero. The partnership has been operating this line prior to May 1, 1917, and therefore, as provided in Chapter 213, Laws of 1917, may continue to operate the same without an order from the Railroad Commission. If the property is now transferred to a corporation, however, it will be necessary for the corporation to obtain permits from the local authorities and an order from the Railroad Commission declaring that public convenience and necessity require it to conduct said stage line business. The order herein will provide that applicant shall issue no stock until it has obtained all necessary permits and orders required by Chapter 213, Laws of 1917.

In Exhibit "B" attached to the petition herein, applicant reports the original cost of the twelve automobiles to be acquired by it at \$33,135.00 and the appraised value as of October 1, 1917, at \$15,870.00. Subsequent to the hearing, applicant filed with the Commission a statement showing that it had paid or agreed to pay for the twelve automobiles the sum of \$17,900.00, and that the appraised value as of November 30, 1917, amounted to \$14,870.00. On November 30, there was due and payable on the automobiles the sum of \$5,266.50. Deducting this amount from the appraised value leaves a balance of \$9,603.50. The cost of the furniture and fixtures to be acquired by applicant is reported at \$2,195.00, while the prepaid rent amounts to \$750.00.

Charles F. Wren, general manager of the Pickwick Stages, Northern Division, testified that it was the intention of the co-partnership to transfer to the corporation, if this application is granted, all of its properties used or useful in conducting its auto stage line business.

Applicant has an authorized stock issue of \$20,000.00 divided into 2,000 shares of the par value of \$10.00 each. Its board of directors consists of three members. It reports that it has issued five shares of its stock to qualify directors. The validity of the issue of the five shares of stock is doubtful. Applicant therefore asks that it may be permitted to issue five shares of stock in lieu of the stock heretofore issued without authority from the Railroad Commission.

I am of the opinion that Pickwick Stages, Northern Division, should assume the payment of the balance due on the automobiles which it proposes to acquire and that it may issue in exchange for the properties to be acquired from the Pickwick Stages, Northern Division, a co-partnership, stock in the amount of \$12,000.00. It is, of course, understood that the stock issued in exchange for the properties will

be distributed amongst the co-partners in proportion to their interest in the co-partnership properties.

I herewith submit the following form of Order.

O R D E R.

PICKWICK STAGES, NORTHERN DIVISION, a corporation, having applied to the Railroad Commission for authority to issue \$15,000.00 of stock, and 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 for the purpose or purposes specified in the order and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Pickwick Stages, Northern Division, be, and it is hereby, granted authority to issue \$12,050.00 par value of its common capital stock subject to the following conditions:

- (1).-- Stock in the amount of \$12,000.00 shall be issued to Pickwick Stages, Northern Division, a co-partnership, in exchange for the automobile equipment and properties described in Exhibit "B", as amended, attached to the petition herein.
- (2).-- Stock in the amount of \$50.00 may be issued in lieu of a like amount of stock heretofore issued without an order from the Railroad Commission for the purpose of qualifying directors.
- (3).-- The authority herein granted shall not become effective until Pickwick Stages, Northern Division, a corporation, has obtained all necessary permits from public authorities and a certificate of public convenience and necessity from the Railroad Commission as provided for in Chapter 213, Laws of 1917.
- (4).-- Pickwick Stages, Northern Division, shall keep separate,

true, and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the stock herein authorized to be issued; and on or before the twenty-fifth day of each month the company shall make verified reports to the Commission stating the sale or sales of said stock during the preceding month, the terms and conditions of the sale, the moneys realized therefrom, and the use and application of such moneys, all in accordance with this Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

(5).- The authority herein granted to issue stock shall apply only to such stock as may be issued on or before August 1, 1918.

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 25th day of January, 1918.

Max Shellen
H. A. Loveland
W. G. ...
Edward R. ...
Commissioners.