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Decision No. 573 3

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application }
of the DE LUXE TRANSPORTATION }
COMPANY to issue and sell two }
thousand shares of its stock. }

Application No. 4025.

Kastick and Partridge, for applicant.

BY THE COMMISSION.

O P I N I O N

DE LUXE TRANSPORTATION COMPANY asks authority to issue \$40,000.00 par value of its common capital stock divided into 2,000 shares of the par value of \$20.00 each. The company asks authority to sell its stock at not less than \$16.00 per share and to use the proceeds to purchase equipment, to operate a passenger service between Hayward and San Jose and to establish terminal facilities and depots.

A hearing on this application was held before Examiner Westover at San Francisco on August 31.

De Luxe Transportation Company was incorporated on or about June 10, 1918 with an authorized capital stock of \$100,000.00 divided into 5,000 shares of the par value of \$20.00 each. In Decision Number 5651, dated August 3, 1918, the Railroad Commission declared that public convenience and necessity require the operation by De Luxe Transportation Company of motor bus service as a common carrier of passengers and light baggage between Hayward and San Jose and

intermediate points and of automobile freight, baggage and express service between the cities of Berkeley, Oakland, Piedmont, Emeryville, Alameda, Hayward and San Jose and intermediate points. As soon as certified copies of local permits are filed and supplemental order therein reciting that fact entered, applicant will be in a position to begin operation as soon as its new equipment is procured.

The testimony shows that incorporators will invest about \$25,000.00 and that the remainder of the 2000 shares will be sold to their friends and associates, and not to the public generally.

Of the proceeds about \$29,000.00 is to be used in providing equipment and terminal facilities at San Jose and Hayward. The purposes for which the remaining proceeds will be used is not now definitely known. The order will therefore provide for reports of expenditures for equipment and terminal facilities, with showing of the purposes for which the balance of the proceeds from the sale of stock is proposed to be used.

O R D E R

DE LUXE TRANSPORTATION COMPANY having applied to the Railroad Commission for authority to issue \$40,000.00 par value of its common capital stock, a 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 the De Luxe Transportation Company be, and it is hereby, granted authority to issue \$40,000.00 par value of its common capital stock divided into 2000 shares of

the par value of \$20.00 each subject to the following conditions:

1.-The stock herein authorized to be issued shall be sold by applicant for cash for not less than \$16.00 per share.

2.-Approximately \$29,000.00 of the proceeds obtained from the sale of the stock may be expended by applicant to purchase equipment and provide terminal facilities at San Jose and Hayward.

3.-No part of the proceeds obtained from the sale of the stock not necessary to acquire equipment and provide terminal facilities at San Jose and Hayward shall be expended otherwise than as authorized by the Commission in a supplemental order herein, after showing made.

4.-De Luxe Transportation Company shall on or before the twenty-fifth day of each month make verified reports to the Railroad Commission as required by the 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 shall have been issued on or before December 20, 1918.

Dated at San Francisco, California, this 4th day of September, 1918.

W. D. Loveland
W. E. Gordon
Frank R. DeWitt
Commissioners.