

MM

Decision No. 618C

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
STOCKTON-FRESNO MOTOR FREIGHT COMPANY
for an order authorizing the issue of
stock.

} Application No. 4384.

Sidney Schlesinger, for applicant.

LOVELAND, Commissioner.

O P I N I O N

STOCKTON-FRESNO MOTOR FREIGHT COMPANY asks authority to issue, at par, \$25,000.00 par value of its common capital stock.

STOCKTON-FRESNO MOTOR FREIGHT COMPANY was organized in November, 1918, with an authorized capital stock of \$50,000.00. In Decision Number 6026, dated December 26, 1918, the Railroad Commission authorized applicant to engage in the motor freight transportation business between Stockton and Merced and between Merced and Fresno, and intermediate communities. Two round trips are to be made daily between Stockton and Merced and one round trip daily between Merced and Fresno. Other cities and towns which will be served by applicant are Manteca, Ripon, Salida, Modesto, Ceres, Keyes, Turlock, Delhi, Livingstone, Arena, Atwater, Merced, Athlone, Minturn, Chowchilla, Fairmead, Berenda, Madera, Borden and Herndon.

Applicant does not intend to engage in the transportation of passengers, but will limit its business to the transportation of freight, and possibly, engage in the warehouse business. If it engages in the latter business, it will be incidental to its main business - the transportation of freight.

Applicant estimates the value of its equipment at \$25,294.37. The balance due on its equipment is reported at \$7,165.80.

Of the \$25,000.00 of stock, \$2,500.00 will be issued to H. W. Spurr to reimburse him for expenses incurred in connection with obtaining the necessary permits and to compensate him for services rendered, \$8,668.00 to R. E. Skinner and S. E. Statler in exchange for automobile equipment, while \$13,832.00 of stock will be sold at par for cash. The equipment to be acquired through the issue of the \$8,668.00 of stock consists of a G. M. C. Republic (chassis and old dump body) truck valued at \$4,000.00, a Velie truck and new body, valued at \$4,000.00 and a trailer valued at \$668.00. The Republic truck is being turned in, in exchange for new equipment, the company receiving for such truck on its new equipment a credit of \$4,000.00.

F. W. Dohrmann, President of Stockton-Fresno Motor Freight Company, testified that not only has the company received subscriptions for the stock to be sold for cash, but the full subscription price has been paid. The record shows that the money has been used to acquire equipment, to secure terminal facilities and to establish the company's business. No stock has been issued to the stock subscribers who have paid in \$13,832.00. All of the company's stock will be acquired by individuals who are at this time interested in the operations of the company. There is no intention to sell any of the stock to the general public.

I herewith submit the following form of Order:-

O R D E R

STOCKTON-FRESNO MOTOR FREIGHT COMPANY having applied to the Railroad Commission for authority to issue \$25,000.00 of stock, a public hearing having been held, and the Commission being

of the opinion that this application should be granted;

IT IS HEREBY ORDERED that Stockton-Fresno Motor Freight Company be, and it is hereby, authorized to issue \$25,000.00 per value of its common capital stock, upon the following conditions:

(1)-\$8,668.00 of stock shall be delivered to R. E. Skinner and S. E. Statler in equal portions in consideration of the transfer by them to the applicant of the following trucks and equipment:-

G. M. C. Republic (chassis and old dump body) truck valued at \$4,000.00.

Velie truck and new body, valued at \$4,000.00

Trailer complete valued at \$668.00.

(2)-\$2,500.00 of stock shall be issued to H. W. Spurr to reimburse him for expenses paid in connection with the securing of the necessary permits under which applicant will operate and to compensate him for services rendered in organizing the company and selling its stock.

(3)-\$13,832.00 shall be sold for not less than par and the proceeds obtained therefrom used by applicant to acquire automobile and freight truck equipment and to pay expenses incurred in connection with the establishment of applicant's business.

(4)-Stockton-Fresno Motor Freight Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds from 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 Railroad 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 shall apply only to such stock as may be issued on or before September 1, 1919.

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 12th day of March, 1919.

Edwin C. Edgerton
H. S. Loveland
Frank Hoover

Commissioners.