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Decision No. 6737

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SAN FRANCISCO AND SAN JOSE)
TRANSPORTATION COMPANY for an order) Application No. 4301.
authorizing the issue of stock.)

A. D. Schaffer, for applicant.

LOVELAND, Commissioner.

O P I N I O N

San Francisco and San Jose Transportation Company asks authority to issue, at not less than par, \$25,000.00 of its common capital stock.

San Francisco and San Jose Transportation Company was organized on or about January 3, 1919, with an authorized capital stock of \$50,000.00 divided into 10,000 shares of the par value of \$5.00 each. No stock, except three shares necessary to qualify directors, has been issued. Applicant intends to engage in the transportation of freight and express between San Francisco and San Jose pursuant to the authority granted by the Commission's decision in Application Number 3679.

Applicant reports that it has purchased at a cost of \$4,000.00, the business and equipment of the Center Garage at 25 Eleventh Street, San Francisco. It has leased for a period of five years

at a monthly rental of \$350.00, the building in which this business is being conducted. The building is a two story brick structure 62 x 137½ feet in dimensions. The garage business is estimated to produce a net monthly income of about \$200.00. In addition applicant will have the use of the building for its San Francisco terminal.

Of the stock which applicant desires authority to issue \$1,000.00 will be delivered to A. D. Schaffer as compensation for legal and secretarial services rendered in securing the necessary permits from local and county authorities, certificate of public convenience and necessity from the Railroad Commission, an order to issue stock and in organizing the corporation. W. R. Casey and J. W. Kelloy are each to receive \$250.00 of stock. They have investigated the feasibility of engaging in the motor truck transportation business, have attended hearings before the Railroad Commission and before local and county authorities from whom operating permits had to be obtained. The remainder of the stock, \$25,500.00 will be sold for cash at not less than par. Mr. Schaffer reports that there will be no general offering of the stock to the public. He is satisfied that the company will encounter no difficulty whatsoever in disposing of the stock. At this time it is the intention of the company to issue only \$15,000.00 of the stock. Most of this will be taken by the organizers of this enterprise. The remaining \$10,000.00 will be issued from time to time as the company's business increases and additional equipment will have to be acquired. The order herein will provide that the proceeds from the sale of the \$10,000.00 of stock shall be expended only for such purposes as the Railroad Commission may authorize in a supplemental order or orders herein.

Applicant has purchased 4 auto-car trucks at a cost about of \$2,900.00 each. The proceeds from the sale of \$15,000.00 of stock which applicant intends to issue forthwith will be used to acquire equipment, pay for terminal facilities and expenses incidental

to the establishment of the business.

I herewith submit the following form of Order:

O R D E R

SAN FRANCISCO AND SAN JOSE TRANSPORTATION COMPANY
having applied to the Railroad Commission for authority to issue \$25,000.00 of its common capital stock, a public hearing having been held, and the Railroad 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 San Francisco and San Jose Transportation Company be, and it is hereby, granted authority to issue \$25,000.00 par value of its common capital stock, subject to the following conditions:-

1.-Stock in the amount of not exceeding \$1,500.00 may be issued and delivered to A. D. Schaffer, W. R. Casey and J. W. Kelley to reimburse them for expenses paid and compensate them for services rendered in connection with securing the necessary permits from local and county authorities, from the Railroad Commission and in connection with organizing the corporation, all as more fully set forth in Exhibit "C" attached to the petition herein; of said \$1,500.00, \$1,000.00 shall be delivered to A. D. Schaffer, \$250.00 to W. R. Casey and \$250.00 to J. W. Kelley.

2.-The remaining \$23,500.00 of stock shall be sold for cash at not less than par.

3.-Of the proceeds, \$13,500.00 may be expended to acquire 4 auto-car motor trucks, terminal facilities, office equipment, and pay other expenses incidental to starting applicant's business.

4.-The remaining proceeds from the sale of the stock herein authorized, shall be deposited in a special bank account and expended only for such purposes as the Railroad Commission may hereafter authorize by a supplemental order or orders herein.

5.-San Francisco and San Jose Transportation 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.

6.-The authority herein granted shall apply only to such stock as may be issued and sold on or before December 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.

April
~~March~~, 1919. Dated at San Francisco, California, this 3rd day of

Edwin O. Egerton

H. B. Loveland

H. W. Brundage

James Martin

Commissioners.