

ORIGINAL

Decision No. 6387

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of REMCO STEAMSHIP COMPANY for authority to issue stock.)	Application No. 4550
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H. M. Wade, for applicant.

BRUNDIGE, Commissioner.

OPINION

Remco Steamship Company asks permission to issue \$101,100.00 of its common capital stock.

Applicant was incorporated on or about January 13, 1919, with an authorized capital stock of \$250,000.00, divided into 2,500 shares of the par value of \$100.00 each. The petition herein shows that applicant is a common carrier, engaged principally in the transportation of lumber and forest products from Caspar, Fort Bragg and Mendocino, Mendocino County, California, to Pittsburg, California, and the transportation of merchandise from San Francisco to Caspar.

Applicant intends to acquire from the Caspar Lumber Company the steamer "Lakme" and an undivided three-fourths interest in the steamer "Caspar". J. R. Christy and H. M. Cochran have appraised the steamer "Lakme" at \$30,000.00 and the steamer "Caspar" at \$85,000.00. Applicant asks permission to issue \$30,000.00 of its common stock to acquire the former and \$60,000.00

of its common stock to purchase an undivided three-fourths interest in the steamer "Caspar".

In addition to the \$90,000.00 of stock, applicant asks authority to sell to the Caspar Lumber Company at par \$10,000.00 of its common stock and to its incorporators, \$1,100.00. The proceeds from the sale of the \$11,100.00 of stock applicant intends to use to pay organization expenses and for working capital purposes.

The record shows that Caspar Lumber Company owns a large mill at Caspar and that it sells a considerable part of its lumber to the Redwood Manufacturers Company, whose plant is located at Pittsburg, California. The steamers "Lakme" and "Caspar" have been used by the lumber company to transport its lumber and supplies.

Counsel for applicant reports that in order to legalize the proportional rate applying beyond Pittsburg, California, to eastern destinations, it became necessary to operate the boat line as a common carrier. The lumber company has therefore caused to be organized the Remco Steamship Company and will transfer to it in exchange for \$90,000.00 of stock, the steamer "Lakme" and its interest in the steamer "Caspar"; and in addition purchase \$10,000.00 of stock for cash to provide the steamship company with the necessary working capital.

C. J. Wood, Vice-President of Caspar Lumber Company, testified that it is the intention of the lumber company to hold the \$100,000.00 of stock received by it from the Remco Steamship Company as a permanent investment.

I herewith submit the following form of Order:-

ORDER

REMCO STEAMSHIP COMPANY having applied to the Railroad Commission for permission to issue \$101,100.00 par value of its common capital stock, 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 herein,

IT IS HEREBY ORDERED that Remco Steamship Company be, and it is hereby, granted authority to issue \$101,100.00 par value of its common capital stock for the following purposes and upon the following conditions:-

1.-Of the stock herein authorized to be issued, \$30,000.00 shall be delivered to the Caspar Lumber Company as payment for the American steamer "Lakme"; \$60,000.00 shall be delivered to the Caspar Lumber Company as payment for its undivided three-fourths interest in the American steamer "Caspar", and \$11,100.00 shall be sold for cash at not less than its par value.

2.-The proceeds obtained from the \$11,100.00 of stock shall be used by applicant for working capital or for the payment of additions and betterments.

3.-Remco Steamship Company shall keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds, as will enable it to file on or before the twenty-fifth day of each month a verified report as required by the Railroad Commission's General Order Number 24, which order, in so far as applicable, is made a part of this Order.

4.-The authority herein granted shall apply only to such stock as shall 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 5th day of June, 1919.

Edwin C. Engler
A. D. [unclear]
H. B. [unclear]