

Decision No. 6760.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of )	
RODEO-VALLEJO FERRY COMPANY, )	
a corporation, for leave to issue )	<u>Application Number 4969.</u>
and sell capital stock. )	

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tum Suden and tum Suden, by Peter tum Suden, for applicant.

EDGERTON, Commissioner.

O P I N I O N.

RODEO-VALLEJO FERRY COMPANY asks permission to issue stock in an amount not exceeding \$400,000.00.

Applicant reports that it has amended its articles of incorporation and increased its authorized stock issue from \$200,000.00 of common to \$500,000.00, divided into \$300,000.00 of common and \$200,000.00 of 7 per cent cumulative preferred. It further reports that pursuant to an order of the Railroad Commission, it sold \$188,100.00 of common stock prior to the amendment of its articles of incorporation.

Applicant asks permission to issue \$188,100.00 of its common stock in lieu of the \$188,100.00 of common stock heretofore issued.

In addition, applicant asks permission to issue at not less than \$85.00 per share 2,119 shares (\$211,900.00) of additional stock, consisting of such proportion of common and preferred stock as it may be able to sell.

As of August 31, 1919, applicant reports assets and liabilities as follows:

ASSETS:

Cash on hand and in bank,.....	\$15,525.73
Liberty Bond,.....	200.00
Steamer "Issaquah" and additions,.....	86,508.35
Wharves and Landings,.....	95,839.47
Tide Lands,.....	16,342.74
Supplies for boat,.....	2,325.45
New Boat,.....	4,550.00
Repairs to Boat,.....	2,600.00
Repairs to Wharves,.....	200.00
Furniture and Fixtures,.....	360.20
Insurance Premium unearned,.....	300.00
Organization Expenses,.....	5,863.96
General Equipment and Labor,.....	3,362.52
Advertising,.....	2,800.00
<b>TOTAL ASSETS,.....</b>	<b>\$234,778.42</b>

LIABILITIES:

Authorized Capital,.....	\$200,000.00
Unsold Stock,.....	11,900.00
Capital Stock Issued,.....	\$188,100.00
Notes Payable,.....	13,000.00
Accounts Payable,.....	14,854.60
War Tax,.....	1,002.13
Part Paid Subscription,.....	225.00
Dividends Unpaid,.....	2,532.00
Profit and Loss,.....	15,064.69
<b>TOTAL LIABILITIES,.....</b>	<b>\$234,778.42</b>

Applicant's financial statement from July 1, 1918 to June 30, 1919, shows that it collected in the form of revenues \$97,688.41 and that its operating expenses aggregated a total of \$80,257.06, leaving a net profit of \$17,431.35. During the year the company paid a 4 per cent dividend on \$180,000.00 of outstanding common stock.

Applicant reports that because of the increase in business, it has become necessary for it to acquire an additional boat. The cost of the new boat complete is estimated at from \$140,000.00 to \$175,000.00. In addition, applicant intends to construct a new wharf and ferry slip at Vallejo at an estimated cost of \$35,000 and to pay \$13,000 of notes issued for the purpose of purchasing terminal properties at Vallejo. Plans of the new boat and surveys of wharf and new ferry slip have been filed herein.

The record shows that applicant proposes to sell its stock to O.H. Klatt. Originally it was the intention of applicant to employ O.H. Klatt as a sales agent, paying him \$15.00 per share commission for each share of stock sold by him. At the suggestion of the Commission, this plan has been abandoned and a new proposed contract filed, under the terms of which O.H. Klatt agrees to purchase outright 2000 shares (\$200,000.00) of either common or preferred stock at \$85.00 per share. It is, of course, understood, and the order herein will contain a condition to that effect, that applicant issue no stock unless it receives in cash \$85.00 per share. Applicant reports that it is in urgent need of funds to pay for the construction of the new boat and we, therefore, look to its officers and stockholders to see that the 2000 shares of stock which O.H. Klatt has agreed to purchase will be taken by him as the needs of the company may require.

I herewith submit the following form of order.

O R D E R.

RODEO-VALLEJO FERRY COMPANY having applied to the Railroad Commission for permission to issue 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 RODEO-VALLEJO FERRY COMPANY be, and it is hereby, authorized to issue 4,000 shares (\$400,000.00) of stock for the following purposes and upon the following conditions:

- 1.--- Common stock in the amount of 1,881 shares (\$188,100.00) herein authorized may be issued to the present stockholders of the company in exchange for 1,881 shares (\$188,100.00) of stock now held by them.

2.-- 2,119 shares (\$211,900.00) consisting of either common or 7 per cent cumulative preferred stock, as provided for in applicant's articles of incorporation, may be sold for not less than \$85.00 per share in cash, and the proceeds used only for the purpose of paying for the construction of a new boat, and the construction of a wharf and ferry slip, and the payment of notes issued for the purpose of paying in part for terminal properties in Vallejo and vicinity, to all of which reference is made in the petition herein, or such other purpose or purposes as the Railroad Commission may authorize in a supplemental order or orders, provided that none of the 2,119 shares of stock be issued until applicant has actually received in cash the full selling price.

3.-- Rodeo-Vallejo Ferry 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 may be issued on or before October 1, 1920.

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 18<sup>th</sup> day of October, 1919.

Edwin O. Edgerly  
W. J. [unclear]  
Frank R. [unclear]

Commissioners.