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Decision No. 8045.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
THE PLACERVILLE TELEPHONE AND TELE- )  
GRAPH COMPANY for permission to issue )  
stock and acquire telephone proper- )  
ties. )

Application No. 6019.

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Byron Parker for applicant.

BRUNDIGE, Commissioner.

O P I N I O N .

SHELLEY INCH, owner of the Placerville Telephone Exchange properties, more particularly described in an exhibit attached to the petition herein, asks permission to transfer the properties to The Placerville Telephone and Telegraph Company, which joins in the application and asks permission to purchase the properties and issue \$15,000.00 of its common capital stock.

The Placerville Telephone and Telegraph Company was organized on or about May 1, 1920, with an authorized capital stock of \$25,000.00, divided into 2,500 shares of \$10.00 each.

It appears in Decision No. 7025, dated January 10, 1920, that the Railroad Commission's engineering department estimated the historical reproduction cost of the properties comprising the Placerville Telephone Exchange at \$14,369. Shelley Inch has agreed to transfer the properties, which include no real property, to The Placerville Telephone and Telegraph Company in exchange for \$14,000 of that company's stock.

Pursuant to Section 293 of the Civil Code of California, applicant has received subscriptions for \$1,000.00 of its stock. Shelley Inch has subscribed for \$960.00, Leonard Inch for \$20.00 and Lyle Brown for \$20.00. This stock will be purchased by the subscribers at par. The company asks permission to use the proceeds for working capital.

I herewith submit the following form of Order.

O R D E R.

SHELLEY INCH having applied to the Railroad Commission for authority to sell telephone properties to THE PLACERVILLE TELEPHONE AND TELEGRAPH COMPANY, which asks permission to purchase the properties and to issue \$15,000.00 of its common 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 reasonable required for the purpose or purposes specified in this 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 SHELLEY INCH be, and he is hereby, authorized to sell, free and clear of all encumbrances, the Placerville Telephone Exchange properties, more particularly described in an exhibit attached to the petition herein, to THE PLACERVILLE TELEPHONE AND TELEGRAPH COMPANY for the sum of \$14,000.00.

IT IS HEREBY FURTHER ORDERED that THE PLACERVILLE TELEPHONE AND TELEGRAPH COMPANY be, and it is hereby, authorized to issue \$15,000.00 of its common capital stock.

The authority herein granted is subject to the following conditions:

- 1.--Of the stock herein authorized to be issued, \$14,000.00 shall be delivered to Shelley Inch in payment for the properties, which he is herein authorized

to sell to The Placerville Telephone and Telegraph Company.

2.--The remainder of the stock herein authorized to be issued may be sold by The Placerville Telephone and Telegraph Company for cash, at not less than par, and the proceeds used by it for working capital provided that none of such stock be issued until full payment has been received by the corporation.

3.--The consideration at which the public utility properties are herein authorized to be transferred, shall not be considered as a measure of value of said properties before this Commission or any other public body for rate-fixing, or any purpose other than the transfer herein authorized.

4.--The Placerville Telephone and Telegraph Company shall submit to this Commission for approval a copy of its opening book entries relative to the acquisition of the properties and the issue of stock herein authorized.

5.--Within thirty days after its execution, The Placerville Telephone and Telegraph Company shall file with the Railroad Commission a certified copy of the instrument of conveyance under which it holds title to the properties.

6.--The Placerville Telephone and Telegraph 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 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

7.--The authority herein granted to transfer property and issue stock shall apply only to such properties as may be transferred and to such stock as may be issued on or before December 15, 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 28<sup>th</sup> day of August, 1920.

Edwin C. Edgerton  
J. H. Loveland  
Frank R. DeWitt  
H. B. Brundage

Commissioners.