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Decision No. 8749.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the Matter of the Application of)
STAR AUTO STAGE COMPANY,)
a corporation, for a permit autho-)
rizing said corporation to issue)
treasury stock.)

Application No. 6471.

Nutter, Hancock and Rutherford; and Harry Encell, by
Harry Encell, for applicant.

MARTIN, Commissioner.

O P I N I O N.

STAR AUTO STAGE COMPANY asks permission to issue \$100,000.00 of its common capital stock for the purpose of acquiring automobile equipment.

Applicant reports that W.E. Travis, one of its principal stockholders, acquired from George S. Held at a cost of \$27,000.00 four Packard automobiles, each having a carrying capacity of 12 passengers, and two Packard automobiles, each having a carrying capacity of 20 passengers, and certain other properties. From Clarence L. Simonds, W.E. Travis acquired at a cost of \$12,600.00 one 16-passenger Studebaker, one 12-passenger Studebaker and a 20-passenger Packard automobiles, together with certain other properties. All of these automobiles were being used by George S. Held and Clarence L. Simonds in automobile passenger service between Stockton and Oakland, -both George S. Held and Clarence L. Simonds being members of the Star Auto Stage Association. This equipment, since its acquisition by W.E. Travis, has been used by Star

Auto Stage Company, and according to the testimony of W.E. Travis, is all in good serviceable condition.

To enable it to give better service, applicant has purchased the following new equipment:

October	1,	-	One 48 H.P. Packard,	15-Passenger, valued at, ...	\$5,500.00
"	1,	-	One 45 H.P. White,	15-Passenger, valued at, ...	6,500.00
"	1,	-	One 30 H.P. White,	18-Passenger, valued at, ...	5,500.00
"	15,	-	One 45 H.P. White,	18-Passenger, valued at, ...	7,000.00
"	20,	-	One 40 H.P. Shaw,	15-Passenger, valued at, ...	6,000.00
December	1,	-	One 20-45 H.P. White,	15-Passenger, valued at, ...	8,000.00
"	10,	-	One 20-45 H.P. White,	18-Passenger, valued at, ...	8,500.00
				Total,	\$47,000.00

W.E. Travis, president of the Star Auto Stage Company, testified that the \$47,000.00 represented the cost of the equipment.

In its original application, applicant asked permission to issue \$50,000.00 (500 shares) of stock at \$85.00 per share to pay for the new equipment, and \$50,000.00 (500 shares) of stock at \$80.00 to pay for the equipment formerly owned by George S. Held and Clarence L. Simonds. At the hearing on this application, applicant requested permission to issue all of the \$100,000.00 (1,000 shares) of stock at \$80.00. Permission to issue the stock at \$80.00 per share was asked upon the ground that applicant's net earnings were not as large as at the time the application was filed. Since the hearing on this application, the Commission has authorized applicant to increase its rates. The action of the Commission in this respect, together with the continued use of the additional equipment referred to in this application, should result in an increase in applicant's net earnings. It does not follow from the fact that the Commission has upon a former occasion authorized applicant to issue stock at \$80.00 that similar action should be taken in subsequent proceedings when the facts in such proceedings are materially different. The order herein will provide that applicant may issue \$100,000.00 of stock in full payment of all equipment and properties referred to in this application. None of

the stock may be issued unless all of the equipment and properties are turned over to applicant as fully paid for in exchange for the \$100,000.00 of stock.

I herewith submit the following form of Order.

O R D E R.

STAR AUTO STAGE COMPANY having applied to the Railroad Commission for permission to issue \$100,000.00 of 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 by applicant;

IT IS HEREBY ORDERED, that STAR AUTO STAGE COMPANY be, and it is hereby, authorized to issue \$100,000.00 of its common capital stock in full payment for all the automobile equipment and properties referred to in this application, provided that none of said stock be issued unless all of the automobile equipment and properties referred to in this application are transferred to applicant as fully paid in exchange for the \$100,000.00 of stock.

The authority herein granted is subject to further conditions as follows:-

1.--Star Auto Stage Company shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceedings 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.

2.--The authority herein granted will apply only to such stock

as may be issued, sold and delivered on or before
July 1, 1921.

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 15th
day of March, 1921.

Frank R. Owen

F. D. Loveland

Erving Martin

COMMISSIONERS.