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ORIGINAL

Decision No. 8896

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
MT. TAMALPAIS AND MUIR WOODS RAILWAY ) Application Number 6157.  
For an order authorizing the issue of )  
stock. )

Thomas, Beedy and Lanagan, by William Thomas,  
for Applicant.

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MARTIN, COMMISSIONER.

O P I N I O N

In this application, as amended at the hearing, MT. TAMALPAIS AND MUIR WOODS RAILWAY asks permission to issue \$79,500. of its common stock to reimburse its treasury. It is the intention of the company to distribute this stock to its stockholders as a stock dividend.

Mt. Tamalpais and Muir Woods Railway, as of December 31, 1920, reports \$318,000. of stock and \$41,000. of bonds outstanding. Its liabilities, other than its bonded indebtedness, on December 31, 1920, consisting of accounts payable, accrued interest and accrued taxes, are reported at \$16,063.10. Its unadjusted credits are reported at \$3,195.70. As of December 31, 1920 applicant reports an accumulated surplus of \$101,329.90. An analysis of applicant's surplus shows that the surplus represents realized earnings and that such earnings have in part been used to pay off bonded and other indebtedness, in part to pay for new properties, and that the surplus represents in part, cash, and materials and

supplies on hand.

The cash and the reported cost of materials and supplies on hand is less than the difference between applicant's accumulated surplus and the amount of stock which applicant asks permission to issue.

The Railroad Commission in Decision Number 2180, dated February 27, 1915 (Volume 6, Opinions and Orders of the Railroad Commission of California, Page 233) found the reproduction cost of applicant's operative and nonoperative property as of June 30, 1913, to be \$505,564.96, and the reproduction cost, less depreciation, to be \$450,557.08. Since June 30, 1913, applicant reports an expenditure of \$71,108.55 for additions and betterments.

I am of the opinion that it is proper for this Commission to authorize applicant to issue \$79,500. of stock to reimburse its treasury, and herewith submit the following form of order:-

O R D E R

MT. TAMALPAIS AND MUIR WOODS RAILWAY, having applied to the Railroad Commission for permission to issue \$79,500. of common 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 specified in this order, and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expense or to income.

IT IS HEREBY ORDERED that MT. TAMALPAIS AND MUIR WOODS RAILWAY be, and it is hereby, authorized to issue and deliver at not less than par, on or before December 31, 1921, \$79,500. of its common stock for the purpose of reimbursing its treasury, and through such reimbursement pay a stock dividend on not exceeding \$79,500., provided that Mt. Tamalpais and Muir Woods Railway will keep such record of the issue and delivery 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.

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 26<sup>th</sup> day of April, 1921.

Frank P. Devlin  
H. H. Howard  
H. B. Boudige  
Waring Martin

Commissioners.