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Decision No. 8711.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
LOS ANGELES STEAMSHIP COMPANY )  
for an order authorizing the issue and )  
sale of capital stock. )

Application No. 6771.

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O'Melveny, Milliken & Fuller; and J.W. Greene, by J.W. Greene, for applicant.

BY THE COMMISSION:

O P I N I O N

LOS ANGELES STEAMSHIP COMPANY asks permission to issue \$3,500,000.00 of its common capital stock to acquire two certain steamships, designated "Yale" and "Harvard".

A hearing was had on this application before Examiner Gordon at San Francisco on April 30th.

Los Angeles Steamship Company was organized on or about June 10, 1920, with an authorized stock issue of \$5,000,000.00, divided into 50,000 shares of \$100.00 each.

It appears from the testimony that Ralph J. Chandler, M.H. Sherman, Fred L. Baker, M.H. Whittier, Harry Chandler and Erle M. Leaf, together with their associates, acquired the steamships "Yale" and Harvard from the United States Government. It further appears that there is now due the United States Government on the vessels \$1,316,250.00 payable in installments of three, four, five, six and seven years, with interest at 4 3/4% upon the deferred payments. Each of the vessels is a steel triple screw passenger vessel of 3,825 ton gross measurement, 406 feet, 6 inches long, with over-all breadth of 52 feet, 6 inches, and has

an accommodation of about 450 passengers. Each vessel is propelled by Parsons turbine engine of 10,000 horse power.

The record shows that more than \$1,000,000.00 has been expended in refitting and reconditioning each of the vessels. L. Curtiss of the firm of Pillsbury & Curtiss testified that it would cost in excess of \$2,500,000. to replace each vessel and that both the "Yale" and "Harvard" are in first-class serviceable condition.

The vessels are now owned by individuals who have caused Los Angeles Steamship Company to be organized and who are willing to transfer the "Yale" and "Harvard" to the company subject to the mortgage indebtedness due the United States Government, in exchange for \$3,500,000.00 of common stock.

#### O R D E R

LOS ANGELES STEAMSHIP COMPANY, having applied to the Railroad Commission for permission to issue \$3,500,000.00 of its 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 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 LOS ANGELES STEAMSHIP COMPANY be, and it is hereby, authorized to issue and deliver to the owners of the steamships "Yale" and "Harvard" \$3,500,000.00 par value of its common capital stock, provided that there be transferred to the Los Angeles Steamship Company a good title to the steamship "Yale" and steamship "Harvard", subject only to the mortgage indebtedness due upon said vessels to the Government of the United States.

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

1.--Los Angeles Steamship Company shall keep such record of the issue and delivery of the stock herein authorized 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 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 and delivered on or before September 30, 1921.

Dated at San Francisco, California, this 29 day of May, 1921.

H. S. Loveland  
H. B. Brundage  
Dwight Martin  
Chas. H. Howell

Commissioners.