

LM

Decision No. 8989

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
CITY TRANSFER & STORAGE COMPANY, ) Application Number 6650.  
a corporation, for an order author- )  
izing sale of shares of capital stock.)

Daly & Daly, by James H. Daly, for Applicant.

LOVELAND, Commissioner.

O P I N I O N .

CITY TRANSFER AND STORAGE COMPANY asks permission to issue and sell 288 shares (\$28,800.) of its common capital stock and to use the proceeds for the purpose of paying, in part, its outstanding equipment notes, and notes and accounts payable and for additional equipment.

The company conducts a warehouse business, local transfer and baggage business within the City of Long Beach, California, and an auto transportation business between the Cities of Long Beach and Los Angeles. By Decision Number 7571, dated May 13, 1920, it was authorized to purchase the properties of City Transfer Van and Storage Company and to issue on or before November 15, 1920 all of its authorized capital stock of \$100,000., of which \$60,000. was to be exchanged for properties, and \$40,000. to be sold at not less than \$90. per share to pay outstanding indebtedness.

Pursuant to such authority, applicant reports that it has issued \$60,000. of stock in exchange for the properties of City

Transfer Van and Storage Company and has sold, prior to the termination of the Commission's order on November 15, 1920, \$11,200. of stock, for the purpose of paying outstanding indebtedness. The company now asks permission to issue and sell the remaining capital stock of \$28,800.

As of April 30, 1921, applicant reports indebtedness incurred in the acquisition and purchase of properties and equipment of \$4,286.59 of equipment notes, \$56,700. of notes payable and \$7,839.30 of accounts payable, which it is proposed to pay in part by the proceeds from the issue and sale of stock. It further reports that it is necessary to acquire additional equipment to properly conduct its business, but it is not in a position at this time to advise the Commission definitely of any proposed purchases of equipment.

Mr. J. H. Meldrim, applicant's president, testified that in his opinion it would be necessary for applicant to pay a commission of 15% in order to dispose of its stock. His testimony shows that the company will not pay a larger commission than absolutely necessary.

The company reports its assets and liabilities on April 30, 1921, as follows:-

	<u>A</u> <u>S</u> <u>S</u> <u>E</u> <u>T</u> <u>S</u>	
Real Estate . . . . .		\$30,750.00
Buildings . . . . .		30,230.00
Auto Trucks . . . . .		41,923.65
Horses and Wagons . . . . .		520.00
Miscellaneous Equipment . . . . .		4,696.77
Furniture and Fixtures . . . . .		4,111.94
Packing Material . . . . .		258.46
Accounts Receivable . . . . .		8,622.97
Notes Receivable . . . . .		12.45
Stores . . . . .		873.32
Cash . . . . .		2,615.15
Deferred Charges . . . . .		2,372.98
Prepaid Expense-Rent . . . . .		306.00
	TOTAL ASSETS	<u>\$127,293.69</u>

L I A B I L I T I E S

Equipment Notes . . . . .	\$4,286.39
Notes Payable -National Bank of Long Beach . . . . .	14,300.00
Notes Payable-Long Beach Savings Bank & Trust Co. . . . .	17,500.00
Notes Payable-California National Bank . . . . .	3,200.00
Notes Payable-C.F.Van de Water Company . . . . .	1,700.00
Accounts Payable . . . . .	7,839.30
Wages Payable . . . . .	1,214.25
Due Internal Revenue Collector . . . . .	181.27
Interest Accrued . . . . .	337.50
Reserve for Depreciation . . . . .	3,200.00
Capital Stock . . . . .	71,200.00
Christenson Auto Supply Company . . . . .	440.00
Surplus . . . . .	1,894.98
TOTAL LIABILITIES.....	<u>\$127,293.69</u>

I herewith submit the following form of order:-

O R D E R

CITY TRANSFER AND STORAGE COMPANY having applied to the Railroad Commission for permission to issue and sell 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 the issue and sale of the stock herein authorized, is reasonably required for the purpose or purposes specified herein, 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 CITY TRANSFER AND STORAGE COMPANY be, and it is hereby, authorized to issue and sell on or before May 1, 1922, for cash at not less than 85% of its par value \$28,800 (288 shares) of its common capital stock.

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

- (1) Applicant may use the proceeds from the sale of stock herein authorized to be issued to pay in part its outstanding indebtedness referred to in the preceding opinion or may

use such portion of the proceeds as the Commission may hereafter authorize to acquire additional equipment.

(2) Applicant 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.

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 21<sup>st</sup> day of May, 1921.

H. B. Brundage  
H. D. Loveland

W. B. Pennington

Commissioners.