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Decision No. 9682.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

* * *

In the Matter of the Application of the)
RODEO - VALLEJO FERRY COMPANY,)
a corporation, for leave to issue and)
sell capital stock.)

Application No. 7251

tum Saden & tum Saden, by Peter tum Saden, for applicant.

BENEDICT, Commissioner.

O P I N I O N

RODEO-VALLEJO FERRY COMPANY asks permission to sell at not less than \$85.00 per share 1,000 shares (\$100,000.00) of its 7 per cent. cumulative preferred stock and use the proceeds to pay indebtedness incurred in connection with the construction of its new ferry boat and the improvement of its terminal facilities.

Rodeo-Valley Ferry Company was organized in March, 1918. It has an authorized stock issue of \$500,000.00, divided into \$300,000.00 of common and \$200,000.00 of 7 per cent. cumulative preferred. Under authority heretofore granted by this Commission, applicant has issued \$400,000.00 of its stock, consisting of \$300,000.00 of common and \$100,000.00 of preferred.

During the current year, applicant has placed in operation a new ferry boat, the "Aven J. Hanford". Originally the cost of this boat was estimated at from \$140,000.00 to \$175,000.00. Upon the completion of the boat, the actual cost was \$225,717.17, a sum considerably in excess of the original estimate. Applicant further reports that during 1919 and 1920 the teredoes almost totally destroyed its wharves and slips, and that the landings both at Vallejo and Rodeo had

to be reconstructed entirely at a cost of about \$83,000.00. To complete its new boat and rebuild its wharves and slips, applicant reports that it had to borrow \$150,000.00. Of this indebtedness \$138,276.70 remains outstanding.

Recently applicant has secured a leasehold interest on certain lands of the American Smelters Securities Corporation near Torney and has obtained permission to erect on such lands wharves and slips. Applicant also reports that it has obtained from the Board of Supervisors of Contra Costa County a franchise permitting it to change its landing place of its ferry boats from Rodeo to the town of Torney. The testimony shows that the cost of establishing a terminal at Torney will be approximately \$75,000.00. Applicant asks permission to use the proceeds obtained from the sale of its stock to pay part of its outstanding indebtedness, and if necessary, meet some of the cost of constructing its new terminal facilities at or near Torney.

It appears that applicant has made no final arrangements for the sale of the \$100,000.00 of stock. Both Aven J. Hanford, president, and O.H. Klatt, secretary, of the Rodeo-Vallejo Ferry Company, are of the opinion that the stock can be sold at not less than \$85.00 per share net to the company.

I herewith submit the following form of Order.

C R D E R

RODEO-VALLEJO FERRY COMPANY having applied to the Railroad Commission for permission to issue and sell \$100,000.00 of 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 reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that RODEO-VALLEJO FERRY COMPANY be, and it is hereby, authorized to issue, sell and deliver on or before April 1, 1922, for cash, at not less than \$85.00 per share net 1,000 shares (\$100,000.00) of its 7 per cent. cumulative preferred stock and use the proceeds to pay in part the indebtedness referred to in this application and construct or acquire terminal facilities at or near Tormey, Contra Costa County.

IT IS HEREBY FURTHER ORDERED, that RODEO-VALLEJO FERRY COMPANY shall keep such record of the issue, sale 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 29th day of October, 1921.

W. B. Burdick
H. Howard
Charles H. Powell
J. J. Rindick
Commissioners.