

Decision No. 27399

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
W. J. HOTCHKISS, J. M. HOTCHKISS,)
L. L. HOTCHKISS, R. W. MYERS and)
T. D. JONES, to transfer and ex-)
change, and Crescent City Wharf and)
Dock Company, a corporation, to ac-)
quire the properties herein de-)
scribed; and of said Crescent City)
Wharf and Dock Company to issue)
securities.)

Application No. 19491

Stanley Pedder, for applicants.

BY THE COMMISSION:

OPINION

In this application the Railroad Commission is asked to make an order authorizing W. J. Hotchkiss, et al., to transfer to Crescent City Wharf and Dock Company, a corporation, certain wharf and other properties, at Crescent City, and authorizing Crescent City Wharf and Dock Company to issue 2,000 shares of its no par value common stock in payment.

The application shows that W. J. Hotchkiss, J. M. Hotchkiss, L. L. Hotchkiss, R. W. Myers and T. D. Jones were the duly elected, qualified and acting directors of Crescent City Wharf and Dock Company, a California corporation organized on or about February 7, 1884; that the term of corporate existence of Crescent City Wharf and Dock Company expired on February 7, 1934; and that W. J. Hotchkiss, J. M. Hotchkiss, L. L. Hotchkiss, R. W. Myers and T. D. Jones have continued to act as a board with powers to wind up and settle the affairs of the corporation and to distribute its properties, and as such have engaged in the operation of the properties as a wharfinger.

It appears that on or about May 7, 1934 a new corporation also named Crescent City Wharf and Dock Company, applicant herein, was organized for the purpose of taking over the properties formerly owned by the old corporation whose term of existence has expired, and of continuing the operations. The new company was organized under the laws of the State of California with an authorized capital stock of 7500 shares without nominal or par value, all of one class without preference.

Information on file with the Commission shows that the old Crescent City Wharf and Dock Company had outstanding \$50,000.00 par value of stock, consisting of 500 shares of the par value of \$100. each, which, as of December 31, 1933, was reported held as follows:-

Hobbs, Wall & Co.	\$33,150.
Jacob Marhoffer	2,100.
W. J. Appleton	700.
E. J. Swords	700.
Marion Miller	1,400.
Henrietta Skinkle	6,000.
Elvira Hobbs	1,025.
Louise B. Stephens	700.
Robert Walsh	300.
A. Skinkle	1,025.
Clarisse S. Houghton	1,600.
Clarisse Sheldon & Edward J. Houghton, Trustees	800.
Grace E. Sheldon	<u>500.</u>
Total.....	<u>\$50,000.</u>

The new corporation desires at this time to issue 2,000 shares without par value, to be distributed to the holders of the 500 shares of stock of the old corporation of the par value of \$100. each, in payment for the properties formerly owned by the old corporation. The proposed transaction thus will result in no change in the ownership or management but will merely permit the operations to be carried on by a new corporation.

The properties to be transferred according to a description filed as Exhibit "C", include a wharf 1800 feet long, an extension thereto 480 feet long, several parcels of real estate, personal property and equipment, and a franchise from the City of Crescent City to erect, construct and maintain a public wharf and to take tolls for a period of ten years from November 16, 1926. The Commission by Decision No. 17719 dated December 7, 1926 in Application No. 13325 authorized Crescent City Wharf and Dock Company to exercise the rights and privileges granted by such franchise.

It is recited in the application that there is no indebtedness against the properties to be transferred other than the sum of \$6,318.95 owing to Hobbs Wall & Co. for moneys advanced, and current indebtedness incident to the operation thereof. It is proposed by the new corporation in acquiring the properties to assume the payment of such indebtedness.

The book value of the properties is reported at \$37,800. segregated as follows:-

Real property	\$2,900.
Improvements	2,050.
Wharf	11,200.
Wharf extension	4,700.
Personal property	16,950.

Counsel for applicants reports that applicants estimate the present value of the wharf and the wharf extension at \$30,000. and the value of the real property at about \$6,000. During the past ten years the old company reports an expenditure of \$79,072.37 for repairs to its properties.

For the purpose of this proceeding we do not deem it necessary to make a valuation of applicants' properties. If hereafter there is presented to the Commission an issue which makes a valuation advisable, such valuation may be made without regard to

the figures referred to herein.

O R D E R

Application having been made to the Railroad Commission for an order authorizing the transfer of properties and the issue of 2,000 shares of stock and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary, that the transfer of properties and the issue of the shares of stock should be authorized, as herein provided, and that the money, property or labor to be procured or paid for through the issue of such stock is reasonably required for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED, that W. J. Hotchkiss, J. M. Hotchkiss, L. L. Hotchkiss, R. W. Myers and T. D. Jones, be, and they hereby are, authorized to transfer to Crescent City Wharf and Dock Company, a corporation, the properties referred to in this application and in the foregoing opinion, and Crescent City Wharf and Dock Company be, and it hereby is, authorized to acquire such properties and to assume such obligations as have been incurred by said W. J. Hotchkiss, J. M. Hotchkiss, L. L. Hotchkiss, R. W. Myers and T. D. Jones in connection with their operation of said properties.

IT IS HEREBY FURTHER ORDERED, that Crescent City Wharf and Dock Company be, and it hereby is, authorized to issue on or before December 31, 1934, not exceeding 2,000 shares of its no par value stock in part payment for the properties herein authorized to be transferred.

The authority herein granted is subject to the following conditions:-

1. Crescent City Wharf and Dock Company shall keep such record of the issue of the stock herein authorized as will enable it to file within thirty (30) days after such issue a verified report such as is required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.
2. W. J. Hotchkiss, et al., applicants herein, shall cancel the tariffs heretofore filed by Crescent City Wharf and Dock Company, the corporation whose corporate existence expired on February 7, 1934, and Crescent City Wharf and Dock Company, the new corporation, shall file new tariffs constructed in accordance with the Commission's rules containing rates, rules and regulations, which in volume and effect shall be similar to those now on file in the name of the old corporation.
3. The order herein will become effective twenty (20) days from the date hereof.

DATED at San Francisco, California, this 29th day of September, 1934.

Leon A. Wiley
W. H. Carr
M. B. Harris
Robert Brown

Commissioners.