

Decision No. 28384

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VALLEY MOTOR LINES, INC.,)
a corporation, for permission to)
issue capital stock.)

Application No. 20243

BY THE COMMISSION:

OPINION AND ORDER

ORIGINAL

Valley Motor Lines, Inc., has applied to the Railroad Commission for permission to issue 600 shares of its common capital stock of the aggregate par value of \$60,000.00 for the purpose of paying indebtedness due Valley Express Co.

It appears that Valley Motor Lines, Inc. is a California corporation engaged in the business as a common carrier of transporting property by auto trucks generally between Fresno and other points in the San Joaquin Valley, and San Francisco and points in the Sacramento Valley.

Its assets and liabilities as of September 30, 1935 are reported as follows:-

ASSETS

Fixed assets.	\$309,059.97	
LESS-Reserve for depreciation.	<u>170,058.63</u>	\$139,001.34
Current assets:		
Cash on hand and in banks	2,273.51	
Notes receivable	2,707.94	
Accounts receivable	12,340.78	
Inventories	<u>2,918.48</u>	20,240.71
Deferred charges		<u>9,803.56</u>
Total assets		<u>\$169,045.61</u>

LIABILITIES

Capital stock		\$ 48,800.00
Long term liabilities		16,718.38
Due Valley Express Co.		60,527.48
Current liabilities:		
Notes payable	\$ 5,000.00	
Accounts payable	24,249.17	
Accrued payroll	6,309.84	
Drafts outstanding	8,826.52	
Other	<u>1,487.63</u>	45,873.16
Reserve for tires and tubes		12,416.11
Surplus (Debit balance)		<u>15,289.52</u>
Total liabilities		<u>\$169,045.61</u>

We are advised that the advances of \$60,527.48 from Valley Express Co. were invested by applicant in its properties and assets. In order to capitalize such expenditures and to improve its financial position, applicant now desires, and makes this application accordingly, to repay \$60,000. of such advances through the issue of its common stock at par. In this connection it might be said that information on file in our office indicates that Valley Motor Lines, Inc. and Valley Express Co. are controlled through stock ownership by the same interests.

The Commission is of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required for the purpose specified herein, and that the expenditure for such purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that Valley Motor Lines, Inc. be, and it hereby is, authorized to issue at par, on or before December 31, 1935, \$60,000. of its common capital stock for the purpose of paying indebtedness of \$60,000. due Valley Express Co., provided,

1. That Valley Motor Lines, Inc. keep such record of the issue of the stock herein authorized and of the disposition of the proceeds as will enable it to file, within thirty(30) days after such issue, a report, as required by the terms of the Commission's General Order No. 24, which order insofar as applicable, is made a part of this order; and
2. That the authority herein granted will become effective fifteen(15) days after the date hereof.

DATED at San Francisco, California, this 25th day of November, 1935.

Samuel A. [Signature]
M. A. P. [Signature]
M. B. [Signature]
Stuart P. [Signature]