

Decision No. 28386

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
THE PACIFIC TELEPHONE AND TELEGRAPH )  
COMPANY, a corporation, for an order )  
authorizing it to acquire and hold )  
5,000 shares of non-cumulative pre- )  
ferred capital stock and 486 shares )  
of the common capital stock of Santa )  
Barbara Telephone Company, a corpora- )  
tion. )

Application No. 20263

Pillsbury, Madison & Sutro and James G. Marshall,  
for applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

In this proceeding The Pacific Telephone and Telegraph Company asks permission to acquire and hold 5,000 shares (\$500,000. par value) of the non-cumulative six per cent. preferred stock and 486 shares (\$48,600.00 par value) of the common capital stock of Santa Barbara Telephone Company.

Santa Barbara Telephone Company has outstanding 2,500 shares (\$250,000. par value) and 5,000 shares (500,000. par value) of non-cumulative six per cent preferred capital stock. All of the outstanding stock of the Santa Barbara Telephone Company is owned by The Santa Barbara Corporation, a Nevada corporation.

The only assets which The Santa Barbara Corporation has is the outstanding stock of Santa Barbara Telephone Company. It appears that the directors and the stockholders having 9/10ths of the voting power have consented to the dissolution of The Santa Barbara Corporation, for the reason that the conditions which have resulted in its incorporation no longer exist. Upon the dissolution of The Santa Barbara Corporation, The Pacific Telephone and

Telegraph Company will become the owner of 5,000 shares of the non-cumulative six per cent preferred stock and 486 shares of the common stock of Santa Barbara Telephone Company.

Under the authority granted by the Commission in Decision No. 27818 dated March 18, 1935 in Application No. 19863, Santa Barbara Telephone Company has amended its Articles of Incorporation to provide that the 5,000 shares of non-cumulative preferred stock shall have no voting rights and that the exclusive voting power be vested in the holders of the cumulative preferred stock, none of which has been issued or is outstanding to date, and the common stock.

It appears that the granting of this application will not result in any change in the management of the properties of Santa Barbara Telephone Company.

O R D E R

The Commission having considered applicant's request and being of the opinion that such request should be granted, therefore,

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company be, and it is hereby, authorized to acquire and hold 5,000 shares of the non-cumulative preferred capital stock and 486 shares of the common capital stock of Santa Barbara Telephone Company.

DATED at San Francisco, California, this 25<sup>th</sup> day of November, 1935.

Leon Whitney

M. A. Lee

M. B. Lewis

Frank R. Brown

Commissioners.