

Decision No. 28838

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SONOMA WATER AND IRRIGATION COMPANY,)
a corporation, for permission to re-)
duce the stated capital and to sur-)
render and cancel all outstanding)
preferred and common stock and to)
issue new common stock in lieu)
thereof.)

RECEIVED
JUL 1 1934
RAILROAD COMMISSION

Application No. 20587

Sheldon G. Cooper, for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Commission is asked to enter its order authorizing Sonoma Water and Irrigation Company to issue not exceeding 1576.31 shares of its no par value common stock for the purpose of re-funding stock now outstanding.

Sonoma Water and Irrigation Company at the present time is engaged in the business of distributing water for domestic use in Boyes Springs, Agua Caliente and neighboring territory, all in Sonoma County. Pursuant to the authority granted by the Commission in Decision No. 26113 dated June 29, 1933, the company sold to the City of Sonoma its water system known as the Sonoma City Water System and used for supplying water to the City of Sonoma.

Applicant has outstanding \$100,000. par value of 6% preferred stock consisting of 4,000 shares and \$40,070. par value of common stock consisting of 1602.8 shares. Because of the sale of some of its properties to the City of Sonoma the company feels that it is advisable to readjust its outstanding capital stock. It proposes to do so by issuing for each share of preferred stock outstanding 35/100 of a share of its

new common capital stock with no par value and for each share of common stock outstanding 11/100 of a share of new common capital stock. Under the plan, the company will issue 1576.31 shares of common stock and retain in its treasury 23.69 shares. The shares issued will be issued on the basis of \$25. per share.

It is of record that the reduction in the outstanding stock of applicant has been approved by its Board of Directors and by more than the holders of two thirds of its outstanding capital stock. Applicant's petition shows that the holders of 3020 shares of preferred stock and the holders of 1452 shares of common stock have approved the reclassification of its outstanding stock. The testimony shows that notice of the stockholders' meeting called for the purpose of considering the reclassification of applicant's stock was mailed to all stockholders and that at such meeting no one objected to the company's plan of reclassifying its stock.

O R D E R

Sonoma Water and Irrigation Company having asked permission to issue not exceeding 1576.31 shares of its no par value common capital stock in exchange for its preferred^{and}/common stock now outstanding, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that applicant's request should be granted and that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required by applicant for the purpose herein indicated and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Sonoma Water and Irrigation Company be, and it hereby is, authorized to issue not exceeding 1576.31 shares of its no par value common capital stock in exchange for its

outstanding preferred and common stock, said shares of stock to be issued upon the following basis, to-wit: 35/100 of a share of the new common capital stock of no par value to be issued in exchange for each share of preferred stock now outstanding and surrendered for exchange; and 11/100 share of its new common capital stock of no par value to be issued in exchange for each share of common stock now outstanding and surrendered for exchange, provided that prior to or concurrently with the issue of any or all of the shares of the new stock by applicant, the holder of stock to whom said new shares of stock are being issued, surrender to applicant for cancellation the shares of stock which entitles him to receive the new stock.

FURTHER

IT IS HEREBY ORDERED that within six(6) months after the date thereof Sonoma Water and Irrigation Company shall file with the Railroad Commission a report showing the number of shares of its no par value common stock issued and the names of the persons to whom such stock has been issued.

DATED at San Francisco, California, this 29th day of June, 1936.

W B Larrin
M A Cunn
W B Larrin
Frank R. Deady
Commissioners.