

Decision No. 29369

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN BERNARDINO HOLDING COMPANY,)
a corporation, for an order authoriz-) Application No. 20844
ing the issue of its shares of stock.)

Thomas Reynolds, for applicant.

BY THE COMMISSION:

OPINION

ORIGINAL

In this proceeding San Bernardino Holding Company, a California corporation, asks permission to issue 745 shares of its no par value common capital stock in exchange for deposit receipts to which reference will be made hereafter.

The company is engaged in the business of warehousing and trucking general merchandise in the City of San Bernardino. The property and business now owned by applicant were formerly owned by the Associated Warehouse and Truck Company. This company under date of June 1, 1925 created a bonded indebtedness secured by an indenture of trust constituting a first lien on its property in the City of San Bernardino. The bonded indebtedness became in default and pursuant to such default a Bondholders Protective Committee was organized. All the bonds of the Associated Warehouse and Truck Company at the time outstanding were deposited with the Bank of America National Trust and Savings Association as depositary for the Bondholders Protective Committee. The bonds so deposited aggregated \$74,500. in face amount. Upon the deposit of the bonds with the Bank of America National Trust and Savings Association, the bank issued to the bondholders, deposit receipts evidencing the deposit of the bonds. These deposit receipts are now outstanding and are in the hands of the former owners and holders of bonds.

Applicant proposes to issue to the holders of the said deposit receipts, one of its shares of capital stock for each \$100. par value of bonds represented by such deposit receipts, or an aggregate amount of 745 shares. Five shares of stock which applicant has heretofore issued to directors will be returned to applicant for cancellation.

It is of record that applicant has acquired the properties formerly owned by the Associated Warehouse and Truck Company under the authority granted by the Commission in Decision No. 27906, dated April 22, 1935, in Applications Nos. 19920 and 19921. Since the acquisition of the properties applicant has expended approximately \$10,000. for additions and betterments to such properties.

The Commission by its order of November 2, 1936 directed applicant to publish notice of the hearing had on December 4th on this application and to mail a copy of the notice of such hearing to each of the holders of deposit receipts representing bonds issued by Associated Warehouse and Truck Company. Affidavits have been filed showing that applicant published and mailed the notice of hearing. At the hearing had on December 4th no one appeared to protest the granting of this application or to raise any issue as to the fairness of the proposed plan of applicant to exchange its stock for deposit receipts.

O R D E R

San Bernardino Holding Company having asked permission to issue 745 shares of its no par value common capital stock in exchange for the aforesaid deposit receipts, a public hearing having been held in this matter on December 4th before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of said shares of stock is reasonably required by applicant, for the purposes herein stated, that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income and that applicant's proposed stock

issue is fair and reasonable and that this application should be granted, therefore,

IT IS HEREBY ORDERED, that San Bernardino Holding Company be, and it is hereby, authorized to issue not exceeding 745 shares of its common capital stock in exchange for deposit receipts delivered by Bank of America National Trust and Savings Association to holders of bonds issued by Associated Warehouse and Truck Company, said shares of stock to be issued on the basis of one share of stock for each \$100. par value of bonds represented by said deposit receipts.

IT IS HEREBY FURTHER ORDERED, that within thirty(30) days after the issue of the stock herein authorized, San Bernardino Holding Company shall file with the Railroad Commission a statement showing the names of the persons to whom said stock was issued and the number of shares issued to each of said persons.

DATED at San Francisco, California, this 11th day of December, 1936.

W B Shaw

Wallace Brown
Frederick Nelson

Commissioners.)