

LBM

Decision No. 20402

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MT. LASSEN TRANSIT COMPANY)
for an order of the Commission author-) Application No. 20926
izing the issuance of 14,800 shares of)
treasury stock.)

F. J. Coulter, for applicant.

BY THE COMMISSION:

OPINION

ORIGINAL

In this application Mt. Lassen Transit Company has applied to the Railroad Commission for permission to issue \$14,800. par value of treasury common stock for the purpose of reimbursing its treasury because of surplus earnings invested in its properties.

Information on file with the Commission shows that Mt. Lassen Transit Company is engaged in the public utility business of transporting passengers, baggage and express by automobile stages generally between Red Bluff, Westwood, Susanville, Reno and other points and in the nonutility automobile, garage and accessory business in Westwood and Susanville. The greater part of its business is of a nonpublic utility nature.

The company has an authorized capital stock of \$350,000. divided into 350,000 shares of the par value of \$1. each, all common, of which it heretofore has issued \$96,800. par value at par, under authorizations granted by this Commission as follows:-

<u>Decision</u>	<u>Date</u>	<u>Purpose</u>	<u>Amount</u>
14507	Jan. 30, 1925	For properties of Walter Gosney and new automobile stages	\$24,000.
15129	July 3, 1925	For properties of Geo. A. Scott	26,000.
15479	Oct. 1, 1925	For properties of J. W. Houk and J. E. Smith	22,500.
15800	Dec. 28, 1925	For additional property and equipment	24,300.
		Total.....	<u>\$96,800.</u>

It appears that subsequent to the issues of stock the company reacquired and now holds in its treasury 30,963 shares of the par value of \$30,963., leaving stock now outstanding in the hands of the public in the amount of \$65,837.

The company now proposes to reissue 14,800 shares of the stock reacquired by it and held in its treasury. In support of its request for permission to do so it represents, as set forth in Exhibit A, that during the ten months ending October 31, 1936. it has had net surplus earnings from all sources in the amount of \$20,109.15 and that such surplus earnings have been invested by it in its assets and business. In this connection an analysis of the company's balance sheets indicates that between December 31, 1935 and October 31, 1936, it increased its investment in fixed assets and equipment by the sum of \$13,619.26 and in merchandise, cash and other current assets for all classes of business, by the sum of \$36,709.21, and that such increases were paid or provided in part by the use of the net earnings received from its operations.

The company intends to declare a dividend of about \$14,800. payable at the option of the stockholder in cash or stock at par. It will draw upon the \$14,800. of stock it desires to issue, to pay such dividend to those who wish said dividend to be paid in stock.

O R D E R

Mt. Lassen Transit Company having applied to the Railroad Commission for permission to issue \$14,800. of stock, and the Commission being 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 such stock is reasonably required for the purpose specified herein, which purpose is not, in

