

LBM

Decision No. 29634

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
EAST SIDE CANAL COMPANY)
for an order authorizing endorse-)
ment of its outstanding stock certi-) Application No. 21091
ficates.)

McCutchen, Olney, Mannon & Greene, for applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

East Side Canal Company, a corporation, has applied to the Railroad Commission for an order authorizing it to stamp upon each of the certificates for shares of its stock now outstanding, an endorsement in or substantially in the following form:-

"All shares of stock of East Side Canal Company were changed from shares having a par value of One Hundred Dollars (\$100.) each into shares without par value and the authorized number of shares was reduced from five thousand (5,000) to one hundred (100) by amendment of the Articles of Incorporation of this corporation effective December 18, 1936."

East Side Canal Company was organized on or about February 17, 1892 with an authorized capital stock of \$500,000. divided into 5,000 shares of the par value of \$100. each, all common. As of December 31, 1935 it reported all of its stock outstanding and held by Kern County Canal and Water Company. It reported further, among other things, fixed capital at \$63,442.36, unamortized discount on stock at \$426,340.73 and a deficit at \$201,388.42.

For the same reasons and under the same circumstances and procedure outlined in the decision in Application No. 21090, applicant has increased the ledger figure for its fixed capital to \$147,332.00, as of December 31, 1935, has reduced the stated value of its capital stock to \$100,000. and has eliminated the unamortized

discount on its stock. Its assets and liabilities as of December 31, 1935 and as adjusted to give effect to these various transactions, are reported as follows:-

<u>ASSETS</u>	<u>BEFORE ADJUSTMENT</u>	<u>AFTER ADJUSTMENT</u>
Fixed capital	\$ 63,442.36	\$147,332.00
Accounts receivable	4,754.37	4,754.37
Unamortized discount	426,340.73	-
Corporate deficit	201,388.42	143,839.51
Total.....	<u>\$695,925.88</u>	<u>\$295,925.88</u>
<u>LIABILITIES</u>		
Capital stock	\$500,000.00	\$100,000.00
Accounts payable	195,925.88	195,925.88
Total.....	<u>\$695,925.88</u>	<u>\$295,925.88</u>

The application shows that the holder of the company's stock voted to amend the articles of incorporation so as to provide for a total authorized capital stock of 100 shares without par value and thereafter surrendered to applicant for cancellation 4900 shares heretofore outstanding. It appears that applicant does not propose to issue new shares of stock but desires to evidence the change in the par value by the endorsement on the certificates.

ORDER

East Side Canal Company having applied to the Railroad Commission for an order authorizing it to place an endorsement on the certificates for shares of stock now outstanding, and the Commission having considered applicant's request and being of the opinion that the issue presented by this application does not require the Commission to determine the value of applicant's properties, that this is not a matter in which a public hearing is necessary and that the application should be granted,

IT IS HEREBY ORDERED that East Side Canal Company be, and it hereby is, authorized to stamp upon each of the certificates for

shares of its stock now outstanding, an endorsement in or substantially in the following form:-

"All shares of stock of East Side Canal Company were changed from shares having a par value of One Hundred Dollars (\$100.) each into shares without par value and the authorized number of shares was reduced from five thousand (5,000) to one hundred (100) by amendment of the Articles of Incorporation of this corporation effective December 18, 1936."

DATED at San Francisco, California, this 5th day of April, 1937.

W. H. ...
Leon ...
Frank ...
...
...
Commissioners.