

Decision No. 23635

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE FARMERS CANAL COMPANY)
for an order authorizing endorsement) Application No. 21092
of its outstanding stock certificates.)

McCutchen, Olney, Mannon & Greene, for applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

The Farmers 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 The Farmers Canal Company were changed from shares having a par value of One Hundred Dollars (\$100.) each into shares without par value by amendment of the Articles of Incorporation of this corporation effective February 27, 1937. No change was made in the authorized number of shares which remains 144."

The Farmers Canal Company was organized on or about May 8, 1880 with an authorized capital stock of \$14,400. divided into 144 shares of the par value of \$100. each, all common. As of December 31, 1935 it reported all of its stock outstanding, of which 136-1/4 shares(\$13,625.) were held by Kern County Canal and Water Company. It reported further, among other things, fixed capital at \$14,505.08 and a deficit at \$135,493.69.

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 \$64,579., as of December 31, 1935, and has credited the amount of the increase to the deficit, reducing the latter to \$85,419.77. Its assets and

liabilities as of December 31, 1935 and as adjusted to give effect to this transaction, are reported as follows:-

<u>ASSETS</u>	<u>BEFORE ADJUSTMENT</u>	<u>AFTER ADJUSTMENT</u>
Fixed capital	\$14,505.08	\$64,579.00
Accounts receivable	1,200.28	1,200.28
Corporate deficit	<u>135,493.69</u>	<u>85,419.77</u>
Total	<u>\$151,199.05</u>	<u>\$ 151,199.05</u>
<u>LIABILITIES</u>		
Capital stock	\$ 14,400.00	\$ 14,400.00
Accounts payable	<u>136,799.05</u>	<u>136,799.05</u>
Total	<u>\$151,199.05</u>	<u>\$ 151,199.05</u>

The application shows that the holders of the company's stock voted to amend the articles of incorporation so as to provide for a total authorized capital stock of 144 shares without par value instead of 144 shares of the par value of \$100. each. 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.

O R D E R

The Farmers 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 The Farmers 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 The Farmers Canal Company were changed from shares having a par value of One Hundred Dollars (\$100.) each into shares without par value by amendment of the Articles of Incorporation of this corporation effective February 27, 1937. No change was made in the authorized number of shares which remains 144."

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

William M. ...
Leon ...
Charles R. ...
Joseph ...
Al & Cliff
Commissioners.