

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SEQUOIA AND GENERAL GRANT NATIONAL)
PARKS CO.)
for order authorizing issue of a) Application No. 21869
stock dividend.)

BY THE COMMISSION:

ORIGINAL

O P I N I O N

This is an application for an order of the Railroad Commission authorizing Sequoia and General Grant National Parks Co. to issue \$20,000.00 par value of its common capital stock.

Sequoia and General Grant National Parks Co. is engaged in the business of operating concessions leased from the United States Government in Sequoia and General Grant National Parks and in operating stages for the transportation of passengers, baggage and express, under a certificate of public convenience and necessity granted by the Commission by Decision No. 27785, dated March 5, 1935, between Fresno and the two parks. For the year 1937 the company reports total gross revenues of \$269,000.00, of which approximately one per cent. was derived from its certificated stage operations.

The company was organized under the laws of the State of California on or about January 2, 1926 with an authorized capital stock of \$100,000.00 divided into 1000 shares of the par value of \$100. each, all common, and all heretofore issued and outstanding.

It appears that during December, 1936, it increased its authorized capital stock to \$200,000.00, divided into 2000 shares of the par value of \$100. each, all common, and thereafter, during 1937, issued \$20,000.00 par value of stock to the holders of the then outstanding \$100,000.00 of stock as a dividend. It did not, however, obtain from this Commission authority to issue the \$20,000.00 of stock although in our opinion its failure to do so was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. When it was advised of the necessity of obtaining this Commission's author-

ization it forthwith filed this application for an order authorizing the issue of the stock in question.

A review of the company's financial statements on file with the Commission clearly indicates that it has had surplus earnings from operations in excess of \$20,000.00 and that such earnings have been invested in its properties, so that the issue of the \$20,000.00 of stock does not seem unreasonable. We believe, however, that under Section 52 of the Public Utilities Act the stock issued during 1937 is void and that new shares should be issued in lieu of those issued without an order from this Commission.

The order herein will so provide.

O R D E R

Sequoia and General Grant National Parks Co. having applied to the Railroad Commission for an order authorizing the issue of stock and the Commission being of the opinion that this is not a matter in which a public hearing is necessary, 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 and that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Sequoia and General Grant National Parks Co. be, and it hereby is, authorized to issue \$20,000.00 of its common stock in lieu of \$20,000.00 of stock issued during 1937 without an order from this Commission, for the purpose of reimbursing its treasury because of surplus earnings invested by it in its assets, and of paying a stock dividend, provided-

1. That within thirty(30) days after the issue of said stock applicant shall file a statement showing the amount of stock so issued and the names of those to

whom it was issued; and

2. That the authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 16th day of May, 1938.

Walter H. ...
Leon ...
Frank ...
Ray ...
Ray ...
Commissioners.