

Decision No. 21189

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of the LOS ANGELES & INTERURBAN  
TRANSPORTATION CO. for permission  
to issue stock. )

Application No. 22119

Phil Jacobson, for applicant.

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Los Angeles & Interurban Transportation Co., a corporation, asks permission to issue 1000 shares of its common capital stock of the aggregate par value of \$1,000.00 to its stockholders in consideration of the payment to it of the sum of \$1,000.00 in cash.

The company is engaged in the business of transporting certain classes of property generally between Los Angeles Harbor, Wilmington and San Pedro and Los Angeles and certain other California cities. In its application it reports its assets and liabilities as of May 31, 1938 as follows:-

<u>ASSETS</u>		
Property and equipment . . . . .		\$22,008.01
Securities owned . . . . .		300.00
Current assets:		
Cash . . . . .	\$1,535.84	
Accounts receivable . . . . .	<u>4,485.61</u>	6,021.45
Prepaid expenses . . . . .		<u>806.12</u>
	Total assets.....	<u>\$29,135.58</u>
<u>LIABILITIES</u>		
Capital stock . . . . .		\$ 150.00
Equipment purchase contract . . . . .		1,846.18
Current liabilities:		
Accounts payable . . . . .	\$1,357.00	
Notes payable . . . . .	2,999.00	
Interest accrued . . . . .	3.91	
Accrued taxes . . . . .	<u>351.90</u>	4,711.81
Reserve for depreciation . . . . .		13,149.81
Other reserves . . . . .		2,662.36
Other deferred liabilities . . . . .		5,458.33
Surplus and undivided profits . . . . .		<u>1,157.09</u>
	Total liabilities...	<u>\$29,135.58</u>

The Commission is advised that during 1937 applicant paid a cash dividend to its stockholders in the total amount of \$999.00, that thereafter the stockholders loaned the money to the company and received short term 7% company notes in evidence thereof, and that it now is the intention of the company to issue its stock to take up the notes.

The Commission has considered this matter and has reviewed the company's financial and other records. Such a review indicates that the company's surplus has been created largely by contributions by stockholders and income received and that such surplus has been reinvested, in general, in the assets of the company.

It appears to the Commission that a public hearing is not necessary in the matter, 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 the \$1,000.00 of stock is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED, that Los Angeles & Interurban Transportation Co. be, and it is hereby, authorized to issue at par, on or before December 31, 1938, not exceeding \$1,000.00 par value of its common capital stock for the purpose of reimbursing its treasury because of surplus invested in its assets and of paying outstanding indebtedness.

IT IS HEREBY FURTHER ORDERED, that Los Angeles & Interurban Transportation Co. shall keep such record of the issue of the stock as will enable it to file within twenty(20) days thereafter a verified

report as required by the Railroad Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted shall become effective upon the date hereof.

DATED at Los Angeles, California, this 15<sup>th</sup> day of August, 1938.

Ray & Kelly  
Leon Kelly  
James Kelly

Ray & Kelly  
COMMISSIONERS