

Decision No. 31284

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
EL DORADO MOTOR TRANSPORTATION COMPANY,  
a corporation, to issue additional  
capital stock and certificates thereof. } Application No. 22268

Howe, Hibbitt and Johnston, by Thos.O'Hara, for applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

El Dorado Motor Transportation Company in this application, as amended at the hearing had before Examiner Fankhauser on October 19th, 1938, asks permission to issue 12 shares of its common capital stock in payment of indebtedness.

Applicant is engaged in the business of transporting freight over a regular route continuously between Sacramento and Placerville, between Sacramento and Jackson and seasonally between Sacramento and Lake Tahoe, via Placerville, California. For 1937 applicant reports operating revenues of \$15,293.51 and for the 8 months ending August 31, 1938, \$10,263.30.

El Dorado Motor Transportation Company has an authorized stock issue of \$150,000.00, divided into 15,000 shares of the par value of \$10.00 each. Heretofore it has issued 5 shares of its capital stock. One share is owned by Louis Sposito, one share by J. L. Fithian, two shares by Joseph Palace and one share by R.B.Hibbitt.

The properties of applicant are under the management of Louis Sposito and Joseph Palace who have an equal investment in applicant's property, such investment being represented by stock or evidences of indebtedness. To enable applicant to acquire additional equipment, and other property, each of them has advanced to applicant \$4,300.00 represented by notes. Two of the notes for \$1,800.00 each are dated

December 31, 1937 and two of them for \$2,500.00 each are dated February 5, 1938. Both Joseph Palace and Louis Sposito have agreed to cancel this indebtedness upon the issue to each of them of six shares of applicant's outstanding stock.

Applicant may hereafter file an application with the Commission to bring its stock issue in line with the equity which its stockholders have in its properties.

#### O R D E R

The Commission having considered the evidence submitted in this proceeding and it being of the opinion that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required by applicant for the purposes herein stated and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that upon the cancellation of the \$1,800.00 note dated December 31, 1937 and of the \$2,500.00 note dated February 5, 1938, both payable to Joseph Palace and referred to in this application, El Dorado Motor Transportation Company may issue to said Joseph Palace six shares of its common capital stock.

IT IS HEREBY FURTHER ORDERED that upon the cancellation of the \$1,800.00 note dated December 31, 1937 and of the \$2,500.00 note dated February 5, 1938, both payable to Louis Sposito and referred to in this application, El Dorado Motor Transportation Company may issue to said Louis Sposito six shares of its common capital stock.

IT IS HEREBY FURTHER ORDERED that El Dorado Motor Transportation Company shall keep such record of the issue of the stock herein author-

ized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month 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.

DATED at San Francisco, California, this 24<sup>th</sup> day of October, 1938.

Ray B. Swabey  
Leon A. Whittell  
Frank R. Swann  
Carl L. Carey

Commissioners.