

Decision No. 32553

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of CALIFORNIA MOTOR EXPRESS, LTD.,
for authority to issue stock.

ORIGINAL
Application No. 23165

BY THE COMMISSION:

California Motor Express, Ltd. asks permission to issue 300 shares of its common stock at a stated value of \$174 per share, or an aggregate stated value of \$52,200, to reimburse its treasury for the acquisition of a like sum which applicant has accumulated from the operation of its business.

California Motor Express, Ltd. is engaged in the transportation of property as a common carrier between points in central and southern California under, and in accordance with its express tariffs on file with the Commission. It does not own or operate any motor equipment but transports its express shipments over the lines of other common carriers. Shipments between San Francisco and Oakland, on the one hand, and Los Angeles on the other hand, are transported over the line of California Motor Transport Co. Ltd., a highway common carrier, operating under certificates of public convenience and necessity granted by the Commission. Between Los Angeles and other points in southern California, applicant transports its express shipments over the lines of other and various common carriers.

Applicant's revenues for the nine months ending September 30, 1939 are reported at \$468,517.12. As of September 30, 1939, applicant reports its assets and liabilities as follows:

ASSETS

| | |
|------------------------------------|--------------|
| Current Assets | \$238,930.38 |
| Cash on Hand and in | |
| Banks | \$130,034.29 |
| Accounts Receivable | 56,918.19 |
| Advances to Officers, Employees | 51,977.90 |
| Capital | \$ 1,879.95 |
| Furniture & Fixtures | \$ 4,043.97 |
| Less Reserve for Depreciation | 2,164.02 |
| Deferred Assets | \$ 3,004.64 |
| Special Deposits | \$ 69.60 |
| Prepaid Insurance | 210.82 |
| Stationery & Supplies | 2,724.22 |
| Total Assets | \$243,814.97 |

LIABILITIES

| | |
|---|--------------|
| Current Liabilities and Surplus | \$143,679.81 |
| Accounts Payable | \$125,599.39 |
| C.O.D.'s Payable | 9,621.93 |
| Advances and Beyond Charges | 3,786.06 |
| Accrued Taxes Payable | 4,872.43 |
| Capital Stock | \$ 8,700.00 |
| Surplus | \$ 91,235.16 |
| Total Liabilities & Surplus | \$243,814.97 |

The \$8,700 of outstanding capital stock is represented by 50 shares.

The stock which applicant desires to issue will be distributed to its stockholders as a stock dividend. The result will be the transfer of \$52,200 from surplus to the capital stock account. In its petition, applicant recites that it intends and agrees that it will at no time declare any cash dividend unless its net current assets are equal to the stated value of all of its outstanding stock. It should likewise cease to make loans to its stockholders.

O R D E R

California Motor Express, Ltd. having asked permission to issue 300 shares of its common capital stock at a stated value of \$174 per share, the Commission having considered applicant's request and it being of the opinion that this is not a matter in which a hearing is necessary, and that the money, property or labor to be procured and paid for by the issue of said stock is reasonably required for the purpose herein stated and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expenses or income, and that this application should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED that the California Motor Express, Ltd. be, and it is hereby, authorized to issue after the effective date hereof and prior to March 1, 1940, 300 shares of its common capital stock at a stated value of \$174 per share, or an aggregate stated value of \$52,200 for the purpose of reimbursing its treasury for the acquisition of a like sum through the conduct of its business, provided, applicant makes no loans to any of its stockholders, or declare any cash dividends to such amount as will reduce its net current assets below the stated value of its outstanding stock.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of the stock herein authorized, California Motor Express, Ltd. shall file with the Railroad Commission a report showing the date when it issued said 300 shares of stock and the name or names of its stockholders to whom said stock was distributed.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when California Motor Express, Ltd. has collected any and all sums due from the holder or holders of its capital stock.

Dated at San Francisco, California, this 19th day of December, 1939.

Robert W. Anderson
Frank R. Brown
W. Baker
Justus J. Cooney
Commissioners