

Decision No. 23644

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SOUTHERN CALIFORNIA FREIGHT
FORWARDERS for permission to issue
600 shares of its Capital Stock.

Application No. 23644

ORIGINAL

BY THE COMMISSION:

O P I N I O N

Southern California Freight Forwarders, a corporation, asks permission to issue and sell at \$25 per share, 600 shares of its capital stock and use the proceeds amounting to \$15,000 for working capital.

Applicant is an express corporation and transports property as a common carrier between points in California over highway common carriers, railroads and steamship lines. It has an authorized stock issue of 2,000 shares of no par value. Under the authority granted by Decision No. 28188, dated August 26, 1935, it issued 326 shares of such stock. Of the outstanding shares of stock, 296 are owned by Southern California Freight Lines; 10 by R. E. McConnell; 10 by J. A. Farrell, and 10 by H. J. Bischoff. The three individual stockholders are the directors of Southern California Freight Forwarders and also of Southern California Freight Lines.

For 1939, applicant reports charges for transportation in the amount of \$753,624.32. From this amount it deducts \$299,862.77

for express privileges, leaving \$453,761.55 as its revenue from transportation. It had other revenues of \$631.02. Its operating expenses are reported at \$432,943.81 and its taxes at \$20,006.03. Applicant's net income for 1939 was \$1,442.68.

As of July 31, 1940, applicant reports assets and liabilities as follows:

ASSETS

Equipment	\$20,519.61
Cash on hand and in bank	9,418.38
Deposits on rents and utilities	1,452.50
Accounts receivable--net	32,597.41
Materials and supplies	5,815.79
Deferred charges and prepaid expense	<u>205.74</u>
Total assets	<u>\$70,009.43</u>

LIABILITIES

Capital stock	\$ 8,137.45
Accounts payable	45,379.12
Reserve for depreciation	11,079.99
Earned surplus	<u>5,412.87</u>
Total liabilities	<u>\$70,009.43</u>

Applicant has need for the additional working capital to carry its customers' accounts. Most of its business is conducted on credit. In some instances it does not collect for transportation service until fourteen days after the rendition of service. Heretofore, applicant has been meeting some of its obligations by advances made by underlying carriers. It is for the purpose of avoiding this situation that it desires to issue the 600 shares of stock for the sum of \$15,000.

O R D E R

The Commission having considered the request of Southern California Freight Forwarders for permission to issue 600 shares of stock, and it being of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured and paid for by the issue of said shares of 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 to income, and that this application should be granted, therefore

IT IS HEREBY ORDERED that Southern California Freight Forwarders be, and it is hereby, authorized to issue and sell, on or before December 31, 1940, at not less than \$25 per share, 600 shares of its common capital stock and use the proceeds for the payment of indebtedness and the improvement or maintenance of its service.

IT IS HEREBY FURTHER ORDERED that Southern California Freight Forwarders shall file with the Railroad Commission, such reports as are required by the Commission's General Order No. 24-A, which order insofar as the same is applicable is hereby made a part of this order.

Dated at San Francisco, California, this 10th day of September, 1940.

Ray L. Riley
Frank D. Miller
Robert A. [unclear]
[unclear]
Justin J. [unclear]
Commissioners.