

Decision No. 34769

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application  
of The Madera Canal and Irrigation  
Company for permission to issue  
40,000 shares of capital stock.

Application No. 24558

BY THE COMMISSION:

O P I N I O N

The Madera Canal and Irrigation Company asks permission to issue 40,000 shares of common stock of the par value of \$6.75 per share in exchange for 40,000 shares of common stock of the par value of \$10.00 per share now outstanding.

Applicant is engaged in the business of distributing water to the public for irrigation. For 1940, it reports operating revenues of \$11,923.61 and operating expenses of \$8,834.94. Its net operating revenues amounted to \$3,088.67.

Through the reduction of the par value of its outstanding stock applicant created a reduction surplus of \$130,000. It used this reduction surplus to write off property losses in the amount of \$13,841.85 and an accumulated deficit of \$66,681.99, or a total of \$80,523.84. It added the remainder of the reduction surplus, to-wit: \$49,476.16 to paid-in surplus, which, on December 31, 1940, was reported at \$253,530.07. The paid-in surplus, except for the \$49,476.16, is made up of assessments levied from time to time on the company's stockholders and the cancellation of indebtedness.

The company's outstanding stock is owned by the following:

<u>Name of Stockholder</u>	<u>No. of Shares</u>
C. J. Emmert	33,323
K. M. Emmert	6,666
Ethel F. Emmert	5
Francis M. Emmert	3
Wallace Emmert	3
Total	<u>40,000</u>

It is of record that all of the company's stockholders have consented to a reduction of the par value of its stock from \$10.00 to \$6.75 per share.

O R D E R

The Commission having considered applicant's request and it being of the opinion that this is not a matter on which a hearing is necessary; that the issue of the stock herein authorized is reasonably required by The Madera Canal and Irrigation Company for the purpose herein stated; that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that The Madera Canal and Irrigation Company be, and it is hereby, authorized to issue, on or before December 31, 1941, 40,000 shares of its common capital stock of the par value of \$6.75 per share in exchange for 40,000 shares of its outstanding common capital stock, provided that the authority herein granted is not construed as a finding by

the Commission of the value of the assets of The Madera Canal and Irrigation Company.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said stock The Madera Canal and Irrigation Company shall file with the Railroad Commission a statement showing the names of the persons to whom said 40,000 shares of stock were issued.

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

Dated at San Francisco, California, this 18<sup>th</sup> day of November, 1941.

W. H. BAKER  
W. A. & C. C. C. C.  
JUSTICE P. CALVERT  
FRANCIS D. HAVENOR  
Richard L. Lusk  
Commissioners