

Decision No. 35766

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 25231

ORIGINAL

BY THE COMMISSION:

O P I N I O N

California Motor Transport Co., Ltd. asks permission to issue 750 shares of its capital stock at the stated value of \$130.51 per share to reimburse its treasury because of earnings expended to acquire property necessary in the conduct of its public utility business as a highway common carrier.

For 1941, applicant reports operating revenues of \$647,547.34 and a net income of \$21,158.56.

For the seven months ended July 31, 1942, it reports operating revenues of \$454,301.21 and a net income of \$15,899.04.

As of July 31, 1942, California Motor Transport Co., Ltd. reports assets and liabilities as follows:

ASSETS

<u>Capital Assets</u>		\$159,312.61
Carrier Operating Property	\$314,352.43	
Less Reserve for Depreciation	155,039.82	
<u>Current Assets</u>		121,635.42
Cash	28,820.98	
Working Funds	1,250.00	
Special Deposits	1,942.82	
Receivables from Associated Companies	88,324.57	
Accounts Receivable	1,297.05	
<u>Deferred Assets</u>		14,706.05
Special Funds	850.00	
Prepaid Expenses	13,856.05	
		<hr/>
Total Assets		<u>\$295,654.08</u>

LIABILITIES

<u>Capital Stock</u> - 250 shares no par value		\$ 32,627.50
<u>Current Liabilities</u>		96,103.29
Payables to Associated Companies	\$ 35,177.25	
Accounts Payable	32,638.54	
Wages Payable	12,379.67	
Taxes Accrued	14,527.98	
Other Current Liabilities	1,379.85	
<u>Reserves</u>		28,152.23
Reserve for Contingent Federal Taxes 1939-1940	17,552.87	
Reserve for 1942 Federal Income Tax	10,599.36	
<u>Surplus</u>		<u>138,771.06</u>
Total Liabilities		<u>\$295,654.08</u>

Applicant's outstanding 250 shares of capital stock have a stated value of \$130.51 per share. Applicant has, from time to time, found it necessary to invest some of its surplus earnings in truck equipment and other properties. Because of this investment it asks permission to issue 750 shares of its no par value capital stock at the same stated value at which it has recorded its presently outstanding stock, to-wit: \$130.51

per share, or at an aggregate stated value of \$97,882.50. The granting of this application will, in effect, transfer \$97,882.50 from surplus account to the capital stock account.

O R D E R

California Motor Transport Co., Ltd. having asked permission to issue 750 shares of its capital stock at a stated value of \$130.51 per share; 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 money, property or labor to be procured or paid for by the issue of said stock is reasonably required by applicant for the purpose herein stated; 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 subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that California Motor Transport Co., Ltd. be, and it is hereby, authorized to issue, on or before December 31, 1942, 750 shares of its capital stock at a stated value of \$130.51 per share, or at an aggregate stated value of \$97,882.50, for the purpose of reimbursing its treasury because of the investment of surplus earnings in equipment and other properties.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of the stock herein authorized California Motor Transport Co., Ltd. shall file with the Railroad Commission a report showing the date when it issued said 750 shares of

stock and the name, or names, of the persons to whom said stock was issued.

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

Dated at San Francisco, California, this 15<sup>th</sup> day of September, 1942.

Justin P. Casner

[Signature]

Francis C. Havens

Richard Sachs

Commissioners