

Decision No. 35802

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

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

Application No. 25384

BY THE COMMISSION:

O P I N I O N

California Motor Express, Ltd. asks permission to issue 650 shares of its capital stock at \$174 per share or for an aggregate consideration of \$115,100 to reimburse its treasury because of income expended for the purchase of terminal properties.

California Motor Express, Ltd. is an express corporation transporting property as a common carrier between points in central and southern California. Applicant does not own or operate any motor equipment but transports its express matter over the lines of other common carriers. Between San Francisco and Oakland, on the one hand, and Los Angeles on the other hand, applicant transports practically all of its express matter over the line of California Motor Transport Co., Ltd., a highway common carrier operating under certificates of public convenience and necessity granted by the Railroad Commission. Between Los Angeles and other points

in southern California, applicant transports its express matter over the lines of other and various common carriers.

Applicant's petition shows that from the period, April, 1941 to October, 1942, it acquired terminal properties consisting of real estate and buildings at a cost of \$147,911.98. The following statement shows the location and the cost of said terminal properties:

<u>Date Acquired</u>	<u>Location</u>	<u>Real Estate</u> \$	<u>Buildings</u> \$	<u>Total</u> \$
4/30/41	625 Brannan St. San Francisco, Calif.	24,752.80	20,313.08	45,065.88
4/30/41	1081-22nd St. Oakland, Calif.	2,263.80	15,377.97	17,641.77
12/31/41	11th & Santa Fe, Los Angeles, Calif.	31,072.73	-	31,072.73
6/ 1/42	1005 Hooper Ave. Los Angeles, Calif.	5,681.50	24,318.50	30,000.00
10/16/42	635 Brannan St. San Francisco, Calif.	12,632.00	11,499.60	24,131.60
	TOTALS	<u>76,402.83</u>	<u>71,509.15</u>	<u>147,911.98</u>

Applicant has paid for the terminal properties in cash from moneys obtained from its operations. It is because of the investment of such income that applicant asks permission to issue 650 shares of its capital stock at \$174 per share to reimburse its treasury. Upon the issue of said 650 shares of capital stock, applicant will have outstanding 1,000 shares of capital stock having a stated value of \$174,000.

By Decision No. 32653, dated December 19, 1939, in Application No. 23165, the Commission authorized applicant to issue 300 shares of its capital stock at \$174 per share for the purpose of reimbursing its treasury, provided applicant makes no

loans to any of its stockholders or declares any cash dividends to such amount as will reduce its net current assets below the stated value of its outstanding stock. The 300 shares of stock were issued and the stated value of applicant's outstanding stock increased to \$60,900. The 650 shares of stock which applicant now proposes to issue will be issued for the purpose of financing the acquisition of physical properties. The limitation on dividend payments will not, therefore, be extended to include the 650 shares of stock. It will, however, remain in effect as to \$60,900 of the stated value of applicant's outstanding stock.

O R D E R

The Commission has considered applicant's request and is 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 650 shares of capital stock is reasonably required by applicant 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 as herein provided, therefore

IT IS HEREBY ORDERED that California Motor Express, Ltd. be, and it is hereby, authorized to issue, after the effective date hereof and on or before January 31, 1943, not exceeding 650 shares of its capital stock at a stated value of \$174 per share for the purpose of reimbursing its treasury because of income expended for the purchase of the terminal properties to

which reference is made in the foregoing Opinion.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said stock, California Motor Express, Ltd. shall file with the Railroad Commission a statement showing the number of shares of stock issued under the authority herein granted, the names of the person or persons to whom said stock was issued, and the consideration received for said stock.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective fifteen (15) days after the date hereof.

Dated at San Francisco, California, this 8th day of December, 1942.

Justice J. Coakley

J. J. Baker

Francis J. Hawes

Richard M. Hays

Commissioners