

Decision No. 36481

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Ben Ali Water Company,  
a corporation, for authority to issue  
Twelve Hundred (1200) Shares  
of its non-par capital stock to B. F.  
Strock in consideration of the can-  
cellation by B. F. Strock of certain  
indebtedness held by B. F. Strock  
against applicant.

Application No. 25682

ORIGINAL

BY THE COMMISSION:

O P I N I O N

Ben Ali Water Company, a corporation, is a public utility engaged in the business of selling water in the area east of North Sacramento, including certain subdivisions known as Country Club Estates, Bellview Village, Bohemian Village, and the Ben Ali-Arcade District.

Applicant as of December 31, 1942 reports assets and liabilities as follows:

<u>Assets</u>	
Fixed Capital	\$34,199.09
Cash	155.30
Accounts Receivable	<u>148.78</u>
Total Assets	<u>\$34,503.17</u>

Liabilities

Accounts Payable	\$12,484.07
Donations in Aid of Construction	21,529.72
Reserve for Accrued Depreciation	1,872.03
Deficit	<u>1,382.65</u>
Total Liabilities	<u>\$34,503.17</u>

It will be observed that applicant has issued no stock.

It is of record that on or about April 16, 1943, F. A. Strock sold, assigned, transferred and set over unto B. F. Strock all of his right, title and interest in and to any property, real, personal, and/or intangible, and of any nature whatsoever which is or might become used or useful in the operation of applicant, and that ever since said day B. F. Strock has been and now is the sole party of interest in and to the property standing in the name of applicant.

Applicant's petition shows that it is indebted to B. F. Strock in the amount of \$12,499.02. This money was used by applicant to acquire and construct public utility property. Applicant proposes to pay this indebtedness through the issue to B. F. Strock of 1,200 shares of its non par value capital stock.

We have considered applicant's request and are of the opinion that its non par value capital stock should be issued on the basis of about \$25 per share and that the number of shares of stock issued in payment of said indebtedness should be reduced from 1,200 to 500. The order herein will authorize applicant to issue 500 shares of its non par value stock to B. F. Strock for the purpose of paying said indebtedness.

O R D E R

The Commission having considered applicant's request for permission to issue 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 or paid for by the issue of the stock herein authorized is reasonably required by applicant for the purpose of paying indebtedness; that the expenditures herein authorized 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 Ben Ali Water Company be, and it is hereby, authorized to issue to B. F. Strock, on or before September 30, 1943, five hundred (500) shares of its non par value capital stock in payment of indebtedness in the amount of \$12,499.02.

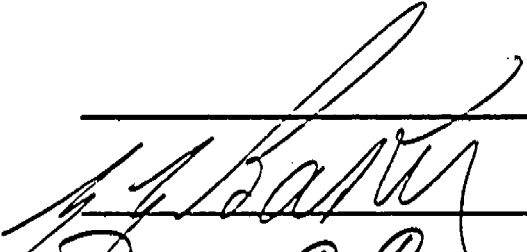
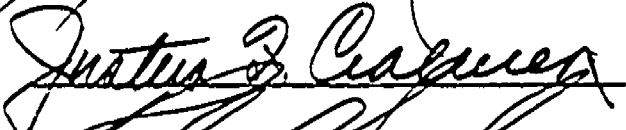
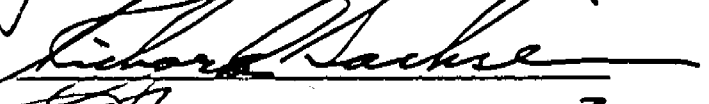

IT IS HEREBY FURTHER ORDERED that this application insofar as it involves the issue of seven hundred (700) shares of stock be, and the same is, hereby dismissed without prejudice.

IT IS HEREBY FURTHER ORDERED that Ben Ali Water Company shall file with the Railroad Commission a report required by the Commission's General Order No. 24-A, which order insofar as applicable is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority

herein granted shall become effective upon the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup>  
day of July, 1943.

  
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Commissioners.