

Decision No. 39322

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SAN DIEGO FORWARDING COMPANY, a corporation  
for Order Authorizing the Issuance of Stock

} Application  
No. 27673

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ORIGINAL

O P I N I O N

This is an application by San Diego Forwarding Company for an order of the Railroad Commission authorizing it to issue \$15,000 par value of its common capital stock.

San Diego Forwarding Company is a corporation organized on or about February 29, 1940, under the laws of the State of California, with an authorized capital stock of \$75,000, divided into 250 shares of preferred stock of the par value of \$100 each and 5,000 shares of common stock of the par value of \$10 each. Heretofore, pursuant to authority granted by the Commission, it has issued 1,500 shares of common stock of the aggregate par value of \$15,000, to provide working capital and to pay for equipment. The company's latest annual report to the Commission shows, as of December 31, 1945, that of the outstanding stock \$7,650 par value was held by Virgil B. Windle and \$7,350 par value, by John W. Graham.

Applicant is engaged in the express and freight forwarding business in the area from Los Angeles to San Diego. It com-

monced its operations on July 1, 1940, and since that date has reported its revenues and expenses as follows:-

	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Balance</u>	<u>Depreciation</u>	<u>Net Revenues</u>
1940-from July 1	\$34,813	\$31,159	\$ 3,654	\$ 965	\$ 2,689
1941	99,284	91,050	8,234	3,431	4,803
1942	127,833	121,455	6,378	8,737	(2,359)
1943	193,317	173,068	20,249	7,041	13,208
1944	132,858	130,676	2,182	3,599	(1,417)
1945	149,047	146,211	2,836	3,364	(528)
1946 - to June 30	76,893	74,443	2,450	1,567	883

Applicant reports its investment in tangible property at \$55,794 and in current assets at \$33,193, a total of \$88,987 which amount, it appears, has been provided through the issue of \$15,000 of stock and \$11,700 of long-term notes; advances from stockholders in the additional amount of \$15,000 and moneys represented by current liabilities and earnings from operations. Its current position, as of May 31, 1946, is reported as follows:

Current Assets

Cash in bank	\$ 5,534.45
Accounts receivable	25,652.34
Prepaid expenses	<u>2,006.56</u>
Total	<u>\$33,193.35</u>

Current Liabilities

Notes payable	\$ 6,750.00
Accounts payable	10,702.08
Reserve for taxes	<u>2,195.85</u>
Total	<u>\$19,647.93</u>

The advances from stockholders in the amount of \$15,000 were received by applicant during 1946 and were used, according to the application, to provide additional working capital and to purchase equipment. The company now desires to issue \$15,000.

of stock in repayment of such advances and to deliver \$7,650 thereof to Virgil B. Windle and \$7,350 to John W. Graham.

A review of applicant's financial statements clearly indicates that it had need for additional funds to increase its working capital and to provide equipment. The issue of additional stock to finance permanently the advances made to the company appears to be warranted. The order herein accordingly will so provide.

### O R D E R

San Diego Forwarding Company having applied to the Railroad Commission for permission to issue \$15,000 par value of its common capital stock, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary and that the money, property or labor to be procured or paid for through such issue is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:-

1. San Diego Forwarding Company may issue at par, on or before October 31, 1946, not exceeding \$15,000 par value of its common capital stock for the purpose of paying advances from stockholders used to provide working capital and to pay for equipment.
2. Within thirty (30) days after the issue of said stock, San Diego Forwarding Company shall file with the Commission a re-

port as required by the Commission's General Order No. 24-A,  
which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective  
upon the date hereof.

Dated at San Francisco, California, this 13th day of  
August, 1946.

Harold J. Hill

Justus F. Calver

Charles J. Perry

Isaac H. Lowell

A. J. Zimmerman

Commissioners