

Decision No. 40405

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CALIFORNIA MOTOR TRANSPORT CO., LTD.,	:	Application
for authority to issue stock.)	No. 28434
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O P I N I O N

In this application, California Motor Transport Co., Ltd., has applied to the Public Utilities Commission for an order authorizing it to issue 1,000 shares of its common stock, without par value, at \$130.51 a share, for the purpose of reimbursing its treasury because of income invested in its properties.

California Motor Transport Co., Ltd., is a corporation engaged in business as a highway common carrier between points in central and southern California. Its operating revenues for the past three years have been reported at \$979,836 for 1944, at \$962,828 for 1945, and at \$1,279,533 for 1946, with net profits of \$15,697 in 1944, a net loss of \$7,443 in 1945, and net profits of \$7,629 in 1946. Its accumulated surplus as of December 31, 1946, is reported at \$157,159.

In Exhibit "A" attached to the application the company reports its balance sheet as of December 31, 1946, as follows:

Assets

Current Assets

Cash	\$ 7,019.03
Working funds	1,250.00
Special deposits	850.00
Receivable from associated companies	253,246.42
Accounts receivable	27,586.16
Materials and supplies	<u>3,137.86</u>

Total Current Assets \$293,089.47

Tangible Property

Carrier operating property	640,536.73
Less: Depreciation reserve	<u>339,088.66</u>

Total Tangible Property 301,448.07

Intangible Property

Organization franchises & permits	9,492.13
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Investments & Advances

U. S. War Bonds	8,353.09
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Deferred Assets

Prepayments	435.45
Other deferred assets	<u>61.92</u>

Total Deferred Assets 497.37

Total Assets \$612,880.13

Liabilities

Current Liabilities

Notes payable	\$136,000.00
Accounts payable	134,700.31
Wages payable	30,515.18
Taxes accrued	13,710.22
Other current liabilities	<u>10,284.71</u>

Total Current Liabilities \$325,210.42

Capital Stock

Common capital stock	130,510.00
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Unappropriated Surplus

Earned surplus at Dec.31,1945	149,530.50
Operating profit - year 1946	<u>7,629.21</u>

Total Unappropriated Surplus 157,159.71

Total Liabilities \$612,880.13

The company presently has outstanding 1,000 shares of common stock, without par value, which were issued, under authority previously granted by the Commission, at a stated value of \$130.51 a share. As of December 31, 1946, the outstanding stock was reported held as follows:

James C. Coughlin	571 3/7ths shares
Wm. F. Coughlin	142 6/7ths shares
Joseph Coughlin	142 6/7ths shares
Rose Marten	<u>142 6/7ths shares</u>
Total	1000 shares

According to the company's financial reports filed with the Commission, it has paid no cash dividends on its outstanding stock since 1937. A review of such reports shows that it has had surplus earnings but that it has invested such earnings in its assets and business. Because of such investment it now desires to issue the 1,000 shares at the same stated value at which it has recorded its presently outstanding stock, to wit, \$130.51 a share, or at an aggregate stated value of \$130,510. The issue of stock as proposed will transfer \$130,510 from the surplus account to the capital stock account.

O R D E R

California Motor Transport Co., Ltd., having applied to the Public Utilities Commission for an order authorizing the issue of 1,000 shares of stock, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, 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, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. California Motor Transport Co., Ltd., after the effective date hereof and on or before September 30, 1947, may issue not exceeding 1,000 shares of its common capital stock at a stated value of \$130.51 a share for the purpose of reimbursing its treasury because of income invested in equipment and other properties.

2. California Motor Transport Co., Ltd., shall file a report of the issue of said stock as required by 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 twenty (20) days from the date hereof.

Dated at San Francisco, California, this 17th day of June, 1947.

Harold Kulis
Justice J. Gallen
Ward Russell
A. E. Drury
Kenneth Platten
Commissioners