Decision No. 40405



BEFORE THE PUBLIC UTILITIES 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. 28434

OPINION

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

Cash \$ 7,019.03 1,250.00 Special deposits 350.00 Receivable from associated companies 253,246.42 Accounts receivable 31,137.86	Current Assets			1
Special deposits	Cash		\$ 7,019.03	1
Receivable from associated companies Accounts receivable Materials and supplies Total Current Assets Total Current Assets Tangible Property Carrier operating property Uess: Depreciation reserve Total Tangible Property Organization franchises & permits Investments & Advances U. S. War Bonds Propayments Other deferred Assets Total Deferred Assets Liabilities Current Liabilities Notes payable Accounts payable Wages payable Taxes accrued Other current liabilities Common capital stock Common capital stock Unappropriated Surplus Earned Surplus Earned Surplus Earned Surplus Earned Surplus Earned Surplus Earned Surplus Total Unappropriated Surplus Total Unappropriated Surplus				
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Total Current Assets \$293,089.47		ated companies	253,246.42	•
Total Current Assets \$293,089.47			27,586.16	
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Carrier operating property	Tangible Property		•	
Less: Depreciation reserve 339,088.66 Total Tangible Property 301,448.07 Intengible Property 9,492.13 Investments & Advances 9,492.13 Investments & Advances 8,353.09 Deferred Assets 435.45 Prepayments 61.92 Total Deferred Assets 437.37 Total Assets 61.92 Total Deferred Assets 497.37 Total Assets 612.880.13 Liabilities 134,700.31 Wages payable 134,700.31 Wages payable 134,700.31 Wages payable 134,700.31 Wages payable 137,710.22 Other current liabilities 13,710.22 Other current Liabilities 13,710.22 Other current Liabilities 130,510.00 Capital Stock 130,510.00 Unappropriated Surplus Earned surplus at Dec.31,1945 149,530.50 Operating profit - year 1946 7,629.21 Total Unappropriated Surplus 157,159.71		ertv	640,536,73	
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Organization franchises & permits 9,492.13	Total Tangible Pr	operty	•	301,448.07
Investments & Advances U. S. War Bonds 8,353.09				•
Deferred Assets	Organization franchise	es & permits	·	9,492.13
Deferred Assets	Investments & Advances			
Prepayments	U. S. War Bonds		,	8,353.09
Prepayments				• • • • • • • • • • • • • • • • • • •
Other deferred assets 61.92 Total Deferred Assets	<u>Deferred Assets</u>			
Total Deferred Assets	Prepayments			*
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Wages payable Taxes accrued Other current liabilities Total Current Liabilities Capital Stock Common capital stock Unappropriated Surplus Earned surplus at Dec.31,1945 Operating profit - year 1946 Total Unappropriated Surplus Total Unappropriated Surplus Total Unappropriated Surplus 157,159.71	<u>Liabilities</u> <u>Current Liabilities</u>		\$136,000,00	• .
Taxes accrued Other current liabilities Total Current Liabilities Capital Stock Common capital stock Unappropriated Surplus Earned surplus at Dec.31,1945 Operating profit - year 1946 Total Unappropriated Surplus Total Unappropriated Surplus 13,710.22 10,284.71 \$325,210.42 \$325,210.42 130,510.00	<u>Liabilities</u> <u>Current Liabilities</u> Notes payable			• .
Other current liabilities 10,284.71 Total Current Liabilities \$325,210.42 Capital Stock Common capital stock 130,510.00 Unappropriated Surplus Earned surplus at Dec.31,1945 Operating profit - year 1946 149,530.50 Total Unappropriated Surplus 157,159.71	<u>Liabilities</u> <u>Current Liabilities</u> Notes payable Accounts payable		134,700.31	• .
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Common capital stock Unappropriated Surplus Earned surplus at Dec.31,1945 Operating profit - year 1946 Total Unappropriated Surplus 130,510.00 149,530.50 7.629.21 157,159.71	<u>Liabilities</u> <u>Current Liabilities</u> Notes payable Accounts payable Wages payable Taxes accrued	Total Assets	134,700.31 30,515.18 13,710.22	
Common capital stock Unappropriated Surplus Earned surplus at Dec.31,1945 Operating profit - year 1946 Total Unappropriated Surplus 130,510.00 149,530.50 7.629.21 157,159.71	Liabilities Current Liabilities Notes payable Accounts payable Wages payable Taxes accrued Other current liabilit	Total Assets	134,700.31 30,515.18 13,710.22	<u>\$612,880.13</u>
Unappropriated Surplus Earned surplus at Dec.31,1945 Operating profit - year 1946 Total Unappropriated Surplus 149,530.50 7,629.21 157,159.71	Liabilities Current Liabilities Notes payable Accounts payable Wages payable Taxes accrued Other current liabilit Total Current Liability	Total Assets	134,700.31 30,515.18 13,710.22	<u>\$612,880.13</u>
Earned surplus at Dec.31,1945 Operating profit - year 1946 Total Unappropriated Surplus 149,530.50 7.629.21 157,159.71	Liabilities Current Liabilities Notes payable Accounts payable Wages payable Taxes accrued Other current liabilit Total Current Lia	Total Assets	134,700.31 30,515.18 13,710.22	\$612,880.13 \$325,210.42
Operating profit - year 1946 7.629.21 Total Unappropriated Surplus 157.159.71	Liabilities Current Liabilities Notes payable Accounts payable Wages payable Taxes accrued Other current liabilit Total Current Lia Capital Stock Common capital stock	Total Assets	134,700.31 30,515.18 13,710.22	\$612,880.13 \$325,210.42
Total Unappropriated Surplus 157,159.71	Liabilities Current Liabilities Notes payable Accounts payable Wages payable Taxes accrued Other current liabilit Total Current Lia Capital Stock Common capital stock Unappropriated Surplus	Total Assets	134,700.31 30,515.18 13,710.22 10,284.71	\$612,880.13 \$325,210.42
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Total Liabilities \$612,880.13	Liabilities Current Liabilities Notes payable Accounts payable Wages payable Taxes accrued Other current liabilit Total Current Lia Capital Stock Common capital stock Unappropriated Surplus Earned surplus at Dec.	Total Assets dies bilities	134,700.31 30,515.18 13,710.22 10,284.71	\$325,210.42 130,510.00
	Liabilities Current Liabilities Notes payable Accounts payable Wages payable Taxes accrued Other current liability Total Current Liability Capital Stock Common capital stock Unappropriated Surplus Earned surplus at Dec. Operating profit - year	Total Assets dies bilities 31,1945 r 1946	134,700.31 30,515.18 13,710.22 10,284.71	\$325,210.42 130,510.00

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

Wm. F. Coughlin

Joseph Coughlin

Rose Marten

Total

571 3/7ths shares
142 6/7ths shares
142 6/7ths shares
142 6/7ths 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.

QRDER

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.