

ORIGINAL

Decision No. 42405

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
WEST LOS ANGELES MILLING CO., a
corporation, for an Order Authoriz-
ing the Issuance of a Share Dividend.

Application
No. 30647

O P I N I O N

In this application, West Los Angeles Milling Co. has applied for an order authorizing it to issue 625 shares of its common stock of the aggregate par value of \$62,500. It proposes to distribute such shares, as a stock dividend, to the holders of its presently outstanding shares of common stock on the basis of one-fourth of a share for each share issued and outstanding on October 15, 1949.

Applicant is a California corporation engaged in the business of selling, processing, packaging and warehousing agricultural and food products, particularly beans, in the City of Los Angeles. It commenced its operations as of October 1, 1948, through the acquisition of the properties and business of E. J. Evans, and for the nine months' period between that date and June 30, 1949, reports its total sales at \$3,335,755.91 and revenues from its warehousing operations at \$20,863.74, with net profit from all sources, after making provision for federal income taxes, at \$64,540. It reports its assets and liabilities, as of June 30, 1949, as follows:

<u>Assets</u>		
Current assets-		
Cash	\$101,141.71	
Accounts receivable	169,945.91	
Inventories	<u>176,324.19</u>	
Total current assets		\$447,411.81
Fixed assets-		
Total amount	231,584.69	
Less-reserve for depreciation	<u>8,372.24</u>	
Net fixed assets		223,212.45
Other assets		35,852.12
Deferred charges		<u>7,648.88</u>
Total		<u>\$714,125.26</u>

<u>Liabilities</u>		
Current liabilities-		
Notes and accounts payable	\$346,522.02	
Accrued liabilities	<u>53,062.74</u>	
Total current liabilities		\$399,584.76
Capital stock		250,000.00
Surplus		<u>64,540.50</u>
Total		<u>\$714,125.26</u>

Applicant's presently outstanding stock consisting of 2,500 shares is owned by E. J. Evans and George E. Croke.

A review of the application indicates that applicant has had surplus earnings in excess of \$62,500, the amount of the proposed stock issue, and that such earnings have been invested in its business and assets. The effect of the issue of \$62,500 of stock to reimburse applicant's treasury is to transfer \$62,500 from applicant's surplus to its capital stock account and to capitalize permanently, surplus earnings in that amount. The 625 shares of stock will be distributed to applicant's stockholders as a stock dividend.

O R D E R

The Public Utilities Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, that the application should be

granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of 625 shares of stock is reasonably required by West Los Angeles Milling Co. for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. West Los Angeles Milling Co., after the effective date hereof and on or before December 31, 1949, may issue not exceeding 625 shares of its common stock, at the par value thereof, for the purpose of reimbursing its treasury for moneys expended from income, and may distribute such stock, as a dividend, to the holders of its presently outstanding shares of common stock.

2. West Los Angeles Milling Co. shall file with the Commission a report, or reports, 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 18th day of October 1949.

W. E. Indarayan
Justice J. C. Cooney
Dep. Atty. General
Harold P. Kells
Herbert H. Patton
Commissioners