

ORIGINAL

Decision No. 45756

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of MANNING TANK LINES, INC. for :  
authority to issue stock. )  
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:

Application  
No. 32421

O P I N I O N

This is an application for an order of the Commission authorizing Manning Tank Lines, Inc. to issue 100,000 shares of its \$1.00 par value common stock to reimburse its treasury because of earnings from operations used in financing, in part, the cost of its investment. It proposes to distribute such shares to the holder of its presently outstanding stock as a stock dividend.

Applicant is a California corporation organized on June 21, 1949. It is engaged in business as a petroleum irregular route carrier in California, and, in addition, it has acquired and owns approximately 90% of the outstanding shares of stock of Lang Transportation Corporation, a corporation also operating as a highway carrier of liquid petroleum products and oil well supplies within the state. For the year 1950, applicant reports operating revenues of \$637,323 and dividend income of \$330,000, a total of \$967,323, with net income from all sources of \$303,577.

The application shows that applicant's operations are performed with a fleet of equipment, part of which it owns and part of which it leases. Applicant reports the cost to it of its equipment at \$143,099.52 and the cost of the stock of its subsidiary at \$2,144,000.

A review of the application indicates that applicant has outstanding only \$1,000 par value of stock, and that it has financed its investments principally with funds borrowed from Bank of America National Trust and Savings Association and from T. J. Manning, its president, and with retained earnings from operations. It appears that its capital structure presently consists of \$1,500,000 of indebtedness, \$1,000 of common stock and \$459,682.77 of retained earnings. Applicant has paid no dividends on its outstanding stock.

Applicant now reports that it has received advice from its tax accountants that it is desirable for it to increase its outstanding capital stock from \$1,000 to \$101,000 and to decrease its surplus by a comparable amount.

The proposal made by applicant in this proceeding will result in permanently capitalizing through the issue of stock the amount of \$100,000, and to that extent will restrict the withdrawal of cash from the business. The issue as proposed will improve applicant's capital structure.

O R D E R

The 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 the stock herein authorized is reasonably required by applicant 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. Manning Tank Lines, Inc., after the effective date hereof and on or before September 30, 1951, may issue not exceeding 100,000 shares of its \$1.00 par value common stock, of the aggregate par value of \$100,000, for the purpose specified herein, and may transfer a like sum from its earned surplus account to the capital stock account.

2. Manning Tank Lines, Inc. shall file with the Commission a report of the issue of the 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 upon the date hereof.

Dated at San Francisco, California, this 29<sup>th</sup> day of May, 1951.

R. J. [Signature]  
Justus F. Casper  
Harold Kula  
[Signature]  
[Signature]  
Commissioners