

Decision No. 46374

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. 32840
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O P I N I O N

California Motor Transport Co., Ltd. has filed this application for authority to issue 1,500 shares of its no par capital stock at a stated value of \$130.51, or at an aggregate stated value of \$195,765, for the purpose of reimbursing its treasury for moneys expended for equipment. It proposes to distribute such shares as a stock dividend to the holders of its presently outstanding shares of stock. (1)

Applicant is, and since 1930 has been, engaged in business as a highway common carrier of property between points in central and southern California. In Exhibit C it reports that as of August 31, 1951, its investment in tangible and intangible property amounted to \$703,743.48 and in current and other assets to \$429,681.31, making total assets of \$1,133,424.79. It reports that \$561,342.75 of this amount is represented by outstanding liabilities and deferred credits, leaving the net worth of the business in the amount of \$572,082.04 which is represented by 2,000 shares of no par value

(1) Applicant's latest annual report on file with the Commission shows that its outstanding shares of stock were held on December 31, 1950, by the following persons:

James C. Coughlin	1,142-6/7 shares
Wm. F. Coughlin	285-5/7 shares
Joseph Coughlin	285-5/7 shares
Rose Morton	<u>285-5/7 shares</u>
Total	<u>2,000 shares</u>

common stock which is carried on the books in the aggregate amount of \$261,020, at the rate of \$130.51 a share, and by accumulated earnings from operations in the amount of \$311,062.04.

A review of applicant's financial reports shows that it has paid no cash dividends since 1937, that it has had earnings from operations but that it has been its practice to invest such earnings in its assets and business rather than to distribute them to its stockholders, and that the accumulated retained earnings at this time are ample to warrant the issue of the shares of stock as proposed. The transaction will result in transferring the sum of \$195,765 from its surplus to capital stock. At the conclusion of the transaction the net worth as of August 31, 1951, would include 3,500 shares with a stated value of \$456,785.00 and earned surplus of \$115,297.04.

An order will be entered granting applicant's request.

ORDER

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. California Motor Transport Co., Ltd., after the effective date hereof and on or before January 31, 1952, may issue

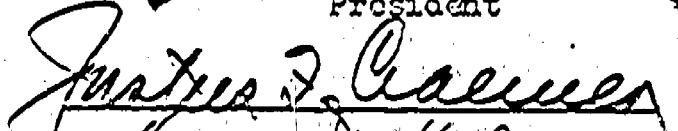

not exceeding 1,500 shares of its capital stock at a stated value of \$130.51 for the purpose of reimbursing its treasury because of income invested in equipment and other properties.

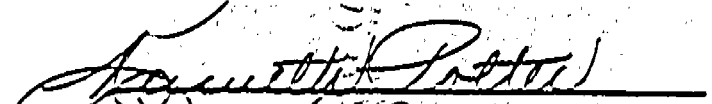

2. Applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 1st day of November, 1951.


President



Commissioners