

Decision No. 45737

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Associated Telephone Company, Ltd. and )  
 Santa Paula Home Telephone Company for )  
 an Order (a) authorizing Associated )  
 Telephone Company, Ltd. to acquire all )  
 of the outstanding stock of Santa Paula )  
 Home Telephone Company in exchange for )  
 shares of its Cumulative Preferred Stock, )  
 \$20 Par Value, 5% 1947 Series; and (b) )  
 in the event that all of the outstanding )  
 stock of Santa Paula Home Telephone Com- )  
 pany shall be acquired by Associated )  
 Telephone Company, Ltd. authorizing (1) )  
 Associated Telephone Company, Ltd. to )  
 acquire all of the properties and assets )  
 and to assume all of the obligations and )  
 liabilities of Santa Paula Home Tele- )  
 phone Company, (2) Santa Paula Home )  
 Telephone Company to convey and transfer )  
 all of its properties and assets to )  
 Associated Telephone Company, Ltd., and )  
 (3) Associated Telephone Company, Ltd., )  
 to render service in the territory now )  
 served by Santa Paula Home Telephone )  
 Company and Santa Paula Home Telephone )  
 Company to discontinue service in such )  
 territory. )  
 ----- )

Application  
No. 30531  
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 43213, dated August 16, 1949, the Commission, among other things, authorized Associated Telephone Company, Ltd. to issue not exceeding 12,000 shares of its Cumulative Preferred Stock, \$20 Par Value, 5% 1947 Series, in exchange for the shares of stock of Santa Paula Home Telephone Company, then owned by Francis E. Crosby.

The application showed that Associated Telephone Company, Ltd. had agreed to deliver to Francis E. Crosby one share of its preferred stock for each \$21.25 of Santa Paula Home Telephone

Company's adjusted net worth, plus or minus any change in its surplus account between March 31, 1949, and the closing date. It is now reported that following an examination of Santa Paula Home Telephone Company's tax return for the year 1949 by the Collector of Internal Revenue, it has developed that the amount of federal income taxes accrued on the books of Santa Paula Home Telephone Company was overstated by the sum of \$2,353.36, so that consequently its surplus account, upon adjustment for this overaccrual, would be increased by a like amount. Under the agreement with said Francis H. Crosby an additional issue of 110 shares of preferred stock, computed on the basis of \$21.25 per share, should be made at this time. Applicant accordingly requests authorization to make such issue.

The Commission has considered this matter and is of the opinion that the request should be granted; that the money, property or labor to be procured or paid for through the issue of the shares of 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. Associated Telephone Company, Ltd., after the effective date hereof and on or before July 31, 1952, may issue 110 shares of its Cumulative Preferred Stock, \$20 Par Value, 5% 1947 Series, to Francis H. Crosby in further payment for the stock of Santa Paula Home Telephone Company.

2. Associated Telephone Company, Ltd. 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 13<sup>th</sup> day of February, 1952.

A. T. [Signature]  
President

Justice J. [Signature]  
Lawrence A. [Signature]

Harold H. [Signature]  
John E. [Signature]  
Commissioners