

ORIGINAL

Decision No. 49701

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Republic Van and Storage Co., Inc.	:	
for a Permit to Sell and Issue Eight)	
Hundred (800) Shares of its Common	:	Application
Stock and to issue Three Thousand)	No. 34968
Two Hundred (3,200) Shares of its	:	(First Supplemental)
Common Stock as a Stock Dividend.)	
(Amended Title)	:	
-----)	

FIRST SUPPLEMENTAL OPINION

By Decision No. 49502, dated January 5, 1954, the Commission authorized Republic Van and Storage Co., Inc. to issue and sell 4,000 shares of its common stock for \$40,000 for the purpose of providing working capital.

Applicant now reports it does not desire to proceed with the authorization granted by Decision No. 49502. In a supplemental application filed in this proceeding on February 1, 1954, it requests the Commission to cancel the decision and, in lieu thereof, to authorize it to issue 3,200 of the shares of common stock, at \$10 a share, for the purpose of paying a stock dividend and to issue and sell 800 of the shares for cash to provide working capital of \$8,000. It asserts it declared a cash dividend in 1952 of \$32,000 but due to increased business and the need for working capital it did not pay the dividend and concluded to re-invest its earnings in its business instead of distributing them to its stockholders. It now desires to pay the dividend declaration in shares of stock.

It appears applicant is engaged in business as a household goods carrier, a city carrier and a radial carrier and also, to a

small extent, as a public utility warehouseman. Its financial statements filed with the Commission show its operating revenues at \$1,830,674 for 1952 and at \$2,529,002 for 1953, with net income of approximately \$23,000 for each of the years. Its balance sheet which is filed in this proceeding as Exhibit E indicates its financial position as of December 31, 1953, as follows:

Assets

Current assets -		
Cash and deposits	\$ 27,846.64	
Accounts receivable	195,171.93	
Other current assets	<u>48,170.79</u>	
Total current assets		\$271,189.36
Tangible properties		236,820.07
Other investments		101,545.33
Deferred debits		<u>25,395.93</u>
	Total	<u>\$634,950.69</u>

Liabilities and Capital

Current liabilities	\$173,387.90
Equipment and other obligations	122,973.50
Reserve for income tax	23,000.00
Preferred stock	100,000.00
Common stock	160,000.00
Common stock dividend payable	32,000.00
Surplus	<u>23,589.29</u>
	Total
	<u>\$634,950.69</u>

A review of the application and of the financial statements clearly indicates that applicant has had earnings in excess of the proposed stock dividend and that such earnings have been invested in its assets and business. Under the circumstances in this particular case it appears proper for the Commission to enter its order authorizing applicant to issue the 3,200 shares of stock at \$10 a share to reimburse its treasury for moneys expended from income for the maintenance and improvement of its service. Upon such reimbursement, the shares thereafter may be distributed to the shareholders as a stock dividend.

The application indicates that the increase in the volume of business requires additional working capital. The issue of the remaining 800 shares will be authorized for this purpose.

FIRST SUPPLEMENTAL ORDER

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the first supplemental application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Decision No. 49502 entered in this application on January 5, 1954, hereby is vacated and set aside.
2. Republic Van and Storage Co., Inc. may issue 3,200 shares of its common stock on or before July 31, 1954, at \$10 a share, in reimbursement of income invested in its assets and business and may distribute such shares to its present shareholders as a stock dividend.
3. Republic Van and Storage Co., Inc. may issue and sell 800 shares of its common stock on or before July 31, 1954, at \$10 a share, for the purpose of providing working capital to improve and maintain its service.

4. Republic Van and Storage Co., Inc. 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.

5. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 23rd day of February, 1954.

R. E. [Signature]
President

Justin J. [Signature]

[Signature]

[Signature]
Commissioners