

ORIGINALDecision No. 50412

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
WEST LOS ANGELES MILLING CO., a cor-	:	Application
poration, for an order authorizing)	No. 35669
the issuance of a share dividend.	:	
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OPINION AND ORDER

West Los Angeles Milling Co., applicant in this proceeding, seeks an order of the Commission authorizing it to issue 2,187.5 shares of its common stock, of the aggregate par value of \$218,750.

Applicant is engaged in buying, selling, processing, packaging and warehousing agricultural products, particularly beans, at its place of business in Los Angeles, its public utility warehousing operations constituting but a small part of the total. For the year ended June 30, 1954, applicant has reported total sales of \$4,299,036 and warehousing and handling revenues of \$12,529. It has reported its total investment in tangible and intangible capital at \$272,428 and in current and deferred assets at \$545,757, a total of \$818,185, which is offset on the balance sheet by the following accounts:

Current liabilities		\$110,435
Fixed liabilities		170,000
Capital -		
Common stock	\$312,500	
Surplus	<u>225,250</u>	
Total capital		<u>537,750</u>
Total		<u>\$818,185</u>

From a review of applicant's financial statements on file with the Commission it appears that it has not paid dividends for a number of years but has retained its net earnings in its business, thereby accumulating surplus of \$225,250 at the close of June of this year. Applicant now seeks to issue the \$218,750 par value of stock against such accumulated surplus and to distribute such stock to its stockholders as a dividend. The transaction will not result in the withdrawal of cash from the business but merely in the transfer of the amount from unappropriated surplus to the capital stock account.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the 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 common 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. West Los Angeles Milling Co. may issue not exceeding 2,187.5 shares of its common stock in reimbursement of its treasury for retained earnings invested in its assets. Thereafter, it may distribute such shares to its stockholders as a stock dividend.
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 upon the date hereof.

Dated at San Francisco, California, this 17th day of August, 1954.

Robert L. Marshall
President

Justus J. Adams

Samuel H. Pottel

James Higgins

Commissioners