Decision No. 50456

# ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)
LOS ANGELES CITY EXPRESS, INC.,	>
for a permit to issue stock.	)

Application No. 35696

## OPINION

Los Angeles City Express, Inc. has filed this application for authorization to issue 530 shares of common stock, of the aggregate par value of \$26,500, for the purpose of paying indebtedness and of providing working capital.

Applicant is engaged in business as a highway common carrier of property in and about the City of Los Angeles and as a radial highway common carrier, a city carrier, a highway contract carrier and a household goods carrier. It acquired the business and properties it now operates from Edward Green under authorization granted by the Commission by Decision No. 49194, dated October 13, 1953. At the time it acquired such business and properties it issued \$23,500 par value of its common stock.

Information filed with the Commission shows that the business conducted by applicant and its predecessor has been increasing. In 1952 operating revenues of \$167,268 were reported, in 1953 operating revenues of \$212,793 and in the first six months of 1954 operating revenues of \$110,096. The net profit for the first six months of 1954 amounted to \$1,122.

The application shows that applicant has financed its properties and its operations in part through the issue of the

\$23,500 of stock heretofore authorized by the Commission and in part through incurring current liabilities. Its assets and liabilities as of June 30, 1954, are reported as follows:

### <u>Assets</u>

Current assets - Cash Accounts receivable Materials and supplies Total current assets Equipment, less depreciation recother assets	serve	\$ 6,792.82 3,906.03 1,336.20	\$12,035.05 37,554.93 12,576.79
	Total		\$62,166.77
Liabilities and Capital			
Current liabilities - Accounts payable Accrued liabilities Loan payable M. Sidell Loan payable E. Green Contracts payable Total current liabilities Capital - Common stock Profit6 months, 1954 Total capital		\$ 2,494.74 5,559.81 22,000.00 5,792.60 1,697.00 23,500.00 1,122.62	\$37,544.15 24,622.62
	Total		\$62,166.77

It appears that applicant now has made arrangements to issue \$22,000 par value of its stock to M. Sidell in satisfaction of indebtedness of like amount and to issue and sell \$4,500 par value of stock to Edward Green at par for cash. The issue of such stock will result in improving applicant's cash position and accordingly we will enter an order granting its requests.

#### ORDER

The Commission having considered the above entitled matter and being 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 and

sale 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. Los Angeles City Express, Inc. may issue not exceeding 530 shares of its common stock, of the aggregate par value of \$26,500, at par, on or before December 31, 1954, for the purpose of paying indebtedness and of providing working capital as outlined in this application.
- 2. Applicant 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 24 day of August, 1954.

President

Commissioners