

**ORIGINAL**

Decision No. 51053

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of	:	
GILLIARD PETROLEUM SERVICE, INC.	)	Application
for a permit authorizing it to	:	No. 36625
sell and issue its securities.	)	
-----	:	
	)	

O P I N I O N

Gilliard Petroleum Service, Inc., applicant herein, is a California corporation organized on or about January 11, 1954, with an authorized capital stock of 1,000 shares, all of one class and without par value. In this application it seeks authorization to issue its shares of stock to its incorporators in payment for operative equipment.

Applicant was organized by Don Gray, S. A. Gilliard and Walter H. Quam for the purpose of taking over the operations then being conducted by these individuals as a partnership. In Application No. 35234, filed with the Commission on March 10, 1954, the corporation requested and received certification of its operations and thereafter undertook service as a petroleum irregular route carrier for the transportation of petroleum and petroleum products in vacuum-type tank trucks and trailers generally between all points and places in Kern County and all points and places in Ventura County. (Decision No. 50315, dated July 27, 1954.)

Under date of August 20, 1954, applicant filed its acceptance of the certificate granted by the Commission and commenced its certificated operations with equipment belonging to the partnership, which equipment included seven vacuum trucks, one tractor and one tank trailer. It now is moving to acquire the tangible properties

through the issue of the 1,000 shares of stock covered by this application.

In Exhibit B filed in this proceeding applicant's revenues during the 11 months ended October 31, 1954, are reported at \$192,544.44 and its net profit at \$22,051.50. Its balance sheet, indicating the assets owned and operated by it and its liabilities and capital, is summarized in the following statement:

<u>Assets</u>		
Current assets		\$ 27,087.59
Fixed assets -		
Trucks and mobile equipment	\$112,584.93	
Other equipment	6,828.83	
	<u>119,413.76</u>	
Less-depreciation reserve	34,875.50	84,538.26
Deferred assets		<u>2,788.54</u>
	Total	<u>\$114,414.39</u>

<u>Liabilities and Capital</u>		
Current liabilities		\$ 28,102.49
Account with partnership		15,399.49
Capital -		
Stock to be issued (1,000 shares)	\$ 48,860.91	
1954 Profit	<u>22,051.50</u>	<u>70,912.41</u>
	Total	<u>\$114,414.39</u>

Upon reviewing the verified application and the financial statements, it appears to us that the transaction as proposed will result in no change in the service offered to the public and we are of the opinion that the assets and earnings should be ample to support the proposed issue and 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 purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

The action taken herein shall not be construed to be a finding of the value of the assets to be acquired through the issue of the shares of stock herein authorized.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

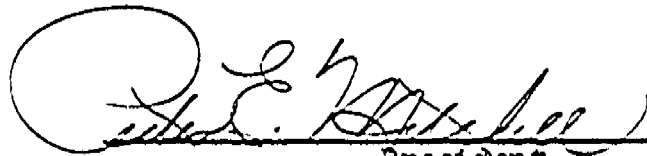
IT IS HEREBY ORDERED as follows:

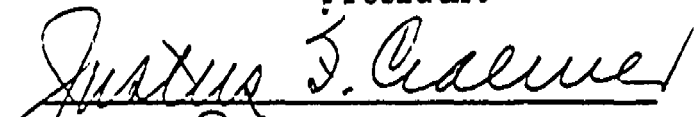
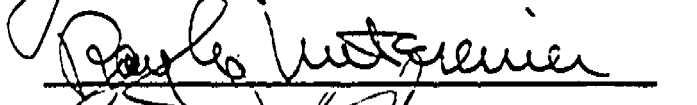

1. Gilliard Petroleum Service, Inc. may issue not exceeding 1,000 shares of its capital stock in payment for the assets referred to in this application.

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 20 days after the date hereof.

Dated at San Francisco, California, this 1<sup>st</sup> day of February, 1955.

  
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President

  
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Commissioners