

**ORIGINAL**

Decision No. 51848

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )

ALCO TRANSPORTATION CO., )  
a California corporation, )

for authority to sell and issue its )  
capital stock. )  
----- )

Application  
No. 37140

O P I N I O N

In this application Alco Transportation Co. seeks authorization to issue 500 shares of its capital stock, of the par value of \$25 each, and to sell said shares at \$30 each, for cash, to finance the cost of equipment.

Applicant is a California corporation organized on October 30, 1952. At the outset it engaged in business as a city, radial and contract carrier, but in 1953 it acquired certificated rights to operate as a highway common carrier for the transportation of property between the business district of the City of Los Angeles, on the one hand, and steamship wharves located at Wilmington and San Pedro, on the other hand, with no service to intermediate points. (Decision No. 49370, dated November 24, 1953, in Application No. 34806.) Financial statements filed with the Commission show that during 1954 applicant's operating revenues were \$137,013 with a net loss for the year of \$576, but that for the first four months of 1955 its revenues amounted to \$67,281 and its net profit to \$1,375, after making provision for taxes on income. The carrier's financial position as of April 30, 1955, is

indicated in the following condensed balance sheet:

<u>Assets</u>		
Current assets -		
Cash and deposits	\$ 3,506.19	
Accounts receivable	12,452.50	
Prepaid expenses	<u>1,775.37</u>	
Total current assets		\$17,734.06
Tangible capital		29,684.36
Intangible capital		<u>8,596.42</u>
Total		<u>\$56,014.84</u>
<u>Liabilities and Capital</u>		
Current liabilities -		
Accounts payable	\$ 5,987.95	
Taxes payable	4,729.76	
Accrued liabilities	1,594.64	
Other liabilities	<u>845.26</u>	
Total current liabilities		\$13,157.61
Long-term debt		16,532.68
Capital -		
Common stock	25,000.00	
Earned surplus	<u>1,324.55</u>	
Total capital		<u>26,324.55</u>
Total		<u>\$56,014.84</u>

The outstanding shares of stock were issued under authorization obtained from the Commissioner of Corporations prior to the time applicant became engaged in business as a certificated highway common carrier.

Applicant now desires to issue additional shares of stock to certain persons named in the application, most of whom already hold the presently outstanding shares. It intends to use the proceeds to pay for additions to its revenue equipment, consisting of two new Ford pickups with van bodies, three trailers, one road tractor and one used tractor for yard use, the reported cost of which equipment is stated at \$15,000. The new equipment is said to be necessary for the development of applicant's common carrier operations.

A review of applicant's records was made by a member of the Commission's staff. It appears from such review that its volume of business is increasing and that its month-by-month revenues during 1955 have exceeded those for corresponding months of 1954. Moreover, it appears that in the first year of operations, when it reported a loss, the company charged to operating expenses certain nonrecurring costs in improving its terminal facilities and in rebuilding operative equipment.

Upon a full review of this application we will enter our order granting the request to issue additional shares of stock.

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. Alco Transportation Co. may issue not exceeding 500 shares of its common capital stock and sell said shares on or before December 31, 1955, at not less than \$30 a share, for the purposes indicated in the preceding opinion.
2. Alco Transportation Co. 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 20 days after the date hereof.

Dated at San Francisco, California, this 23rd day of August, 1955.

John E. Woodell  
President

Justin J. Casper

Matthew J. Hooley

Bob Hardygo

Commissioners