

Decision No. 52075**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of REPUBLIC VAN AND STORAGE CO.,)	Application
INC. for a permit to sell and)	No. 37272
issue its preferred shares.)	
-----)	

O P I N I O N

Republic Van and Storage Co., Inc., has filed this application for authorization to issue 1,000 shares of its preferred stock, of the par value of \$100 each and of the aggregate par value of \$100,000, and to sell such shares at par for cash. The purpose of the financing is to provide the company with working capital.

Applicant was organized in 1948 and is engaged in the public warehousing business in Los Angeles and in the transportation of used household goods in intrastate and interstate commerce. Its financial reports filed with the Commission show that only a small portion of its revenue arises from the public utility operations, comparative figures for the last three years being as follows:

	<u>1952</u>	<u>1953</u>	<u>1954</u>
Revenues			
Warehouse	\$ 10,083	\$ 995	\$ 1,472
Other	<u>2,216,686</u>	<u>2,920,961</u>	<u>3,046,616</u>
Total Revenues	2,228,771	2,921,956	3,048,088
Net Income	\$ 23,120	\$ 25,775	\$ 46,825

Exhibits filed in the proceeding show that applicant has issued \$200,000 par value of common stock and \$200,000 par value of preferred stock to finance its operations. Its articles of incorporation, as amended, provide that the holders of the shares of preferred

stock shall be entitled to cumulative dividends at the rate of 5 per cent per annum and, after payment of 50 cents a share non-cumulative to the holders of the common stock, are entitled to participate equally with the common shareholders in any further distribution of profits.

Applicant now intends, if authorized by the Commission, to issue additional shares of preferred stock of the aggregate par value of \$100,000 and to sell said shares to its existing shareholders, both common and preferred, at par for cash. It reports that it has need for the proceeds to augment its working capital.

A review of applicant's records and of its results of operations has been made by the Commission staff. It appears that the company's operations have been successful, that the volume of business, primarily nonutility, has been increasing rapidly, and that applicant has been required to invest substantial sums in accounts receivable. Its cash position as reflected by its balance sheet of June 30, 1955, is as follows:

Current Assets -		
Cash	\$ 17,656	
Working funds	7,090	
Special deposits	350	
Accounts receivable	253,401	
Prepayments	55,780	
Materials and supplies	<u>16,941</u>	
Total Current Assets		\$351,218
Current Liabilities -		
Notes payable	\$ 30,000	
Accounts payable	205,282	
Payroll taxes	<u>5,113</u>	
Total Current Liabilities		\$240,395

Upon considering the matter it appears to us that applicant has need for additional working capital and that its earning position should be ample to support the issue of additional shares of preferred stock. Accordingly, we will enter our order granting the application.

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 of the stock herein authorized is reasonably required by applicant for the purpose set forth herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Republic Van and Storage Co., Inc., may issue and sell, not to exceed 1,000 shares of its preferred stock, on or before March 31, 1956, at not less than par, for cash, for the purpose of providing additional working capital.

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 shall become effective upon the date hereof.

Dated at San Francisco, California, this 18th day of October, 1955.

John E. M. [Signature]
President

James J. [Signature]

Raul [Signature]

[Signature]

[Signature]

Commissioners