

**ORIGINAL**

52188

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Frank Spingolo Trucking Company to  
issue shares of its capital stock.

} Application  
No. 37410

O P I N I O N

This is an application for an order of the Commission authorizing Frank Spingolo Trucking Company, a California corporation, to issue 400 shares of its common stock of the aggregate par value of \$40,000.

Applicant was organized in 1947 under the name of Valley Refrigeration & Air Conditioning Co. It engaged in non-public utility activities and issued \$200 par value of its stock, which stock presently is outstanding, is held by Frank Spingolo, and constitutes applicant's entire issue. In the latter part of 1953 applicant changed its name to Frank Spingolo Trucking Company, and thereafter, under authorization granted by Decision No. 50312, dated July 27, 1954, acquired highway common carrier operative rights permitting the transportation of fresh fruits and vegetables between Stockton and other points, on the one hand, and San Francisco, Oakland, Berkeley, Alameda, Emeryville and Albany, and intermediate points, on the other hand, subject to certain restrictions.

It appears that the corporation was not successful in its earlier activities and developed an accumulated deficit of \$36,276, but that since becoming certificated it has enjoyed net profits

amounting to \$36,270 up to September 30, 1955. It has reported its assets and liabilities as of the close of September as follows:

Assets

|                                      |              |                  |
|--------------------------------------|--------------|------------------|
| Current assets -                     |              |                  |
| Cash                                 | \$ 16,603    |                  |
| Accounts receivable                  | 57,126       |                  |
| Deposits and advances                | 7,375        |                  |
| Prepaid expenses                     | 5,489        |                  |
| Inventory                            | <u>8,940</u> |                  |
| Total current assets                 |              | \$ 95,533        |
| Tangible property, less depreciation |              | <u>221,402</u>   |
|                                      | Total        | <u>\$316,935</u> |

Liabilities and Capital

|                           |               |                  |
|---------------------------|---------------|------------------|
| Current liabilities       |               | \$ 91,813        |
| Long-term liabilities     |               | 111,710          |
| Common stock equity-      |               |                  |
| Common stock              | \$ 200        |                  |
| Paid-in surplus           | 113,218       |                  |
| From predecessor business | ( 36,276)     |                  |
| Earned surplus            | <u>36,270</u> |                  |
| Total common stock equity |               | <u>113,412</u>   |
|                           | Total         | <u>\$316,935</u> |

( ) Deficit

Applicant now reports that in its opinion the outstanding shares of stock do not adequately reflect its true net worth or its investment, that the present situation where only two shares are outstanding is awkward, and that it desires to increase its stated capital to a point where there will be a substantial amount of permanent investment capital.

A review of applicant's records was made by a member of the Commission's staff. It clearly appears that the paid-in surplus includes amounts well in excess of the proposed stock issue of \$40,000 which have been invested in the tangible and current assets. In our opinion, therefore, an order granting applicant's request is warranted.

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, 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 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. Frank Spingolo Trucking Company, a corporation, may issue not exceeding 400 shares of its capital stock of the aggregate par value of \$40,000 for the purpose of reimbursing its treasury for moneys invested in its properties and assets and through such reimbursement to transfer \$40,000 from paid-in surplus to capital stock.
2. Applicant shall file a report with the Commission 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 7<sup>th</sup> day of November, 1955.

John E. Mitchell  
President

Justin D. Calmes

Rose E. Anteriner

Thomas J. Walsh

B. Hardy

Commissioners