

**ORIGINAL**

Decision No. 55950

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
LA SALLE TRUCKING COMPANY, a  
Corporation, for an Order authorizing  
the issuance of stock in payment of  
share dividends.

Application No. 39605

OPINION AND ORDER

La Salle Trucking Company has filed this application for authorization to issue 3,000 shares of its 6% noncumulative preferred stock of the aggregate par value of \$300,000.

Applicant is a California corporation engaged in business as a highway common carrier of petroleum products in southern California. According to its financial reports, its operations have been reasonably successful, it has no outstanding liabilities other than current obligations and it has financed itself with proprietary capital. It appears that it has not been its practice to pay regular annual dividends on its outstanding stock but instead to retain its earnings in the business.

At present applicant has outstanding \$75,000 par value of common stock, all of which is held by members of the La Salle family and has accumulated earned surplus of \$397,369.70. It has concluded to capitalize a portion of these retained earnings through the issue of 3,000 shares of preferred stock and to distribute such shares to its common stockholders as a stock dividend on the basis of four preferred shares for each common share.

Upon reviewing the proposal, it clearly appears that applicant has had earnings from operations well in excess of the proposed stock issue, that such earnings have been invested in the property and business of the carrier and that, on the basis of past performance, applicant's revenues should be ample to enable it to meet the \$18,000 of annual dividends on the new shares. We are of the opinion, therefore, 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 specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that applicant's request should be granted by an ex parte order; therefore,

IT IS HEREBY ORDERED as follows:

1. La Salle Trucking Company, a corporation, on and after the effective date hereof and on or before April 30, 1958, may issue not exceeding 3,000 shares of its preferred stock for the purpose set forth in its application.
2. La Salle Trucking Company 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 on the date hereof.

Dated at San Francisco, California, this 16th day of December, 1952.

*John E. ...*  
President  
*...*  
*...*  
*R. Hardy*  
*E. ...*  
Commissioners