

ORIGINAL

Decision No. 56018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:
20TH CENTURY DELIVERY SERVICE, INC.,
a corporation, for authority to
issue shares of common stock in
exchange for shares of preferred
stock

Application No. 39634

OPINION AND ORDER

This is an application for an order authorizing 20th Century Delivery Service, Inc., to issue \$100,000 par value of its common stock.

Applicant was organized under the laws of the State of California during 1931 and presently is engaged in business as an express company and as a radial, city and contract carrier. According to its financial reports its operations have been profitable and it has financed itself almost entirely by proprietary capital consisting, as of September 30, 1957, of retained earnings of \$108,539.45 and 7% cumulative preferred stock of the aggregate par value of \$11,480. It has issued no common stock.

The application shows that the company now desires to replace its outstanding shares of preferred stock with shares of common stock and to capitalize a portion of its retained earnings.

It therefore proposes to issue 1,000 shares of common stock to Commercial Development Co., its shareholder, to cancel the outstanding \$11,480 of preferred stock and to transfer \$88,520 of its surplus to its capital stock account. At the conclusion of the transaction its proprietary capital, on the basis of the balances as of September 30, 1957, will consist of \$100,000 par value of stock and \$20,019 of accumulated surplus.

A review of the application and of the carrier's financial statements shows that it has had earned surplus well in excess of the amount proposed to be capitalized, that such earnings have been invested in the business and that an order, therefore, properly can be entered granting its request. The Commission is of the opinion that a public hearing on this matter is not necessary, 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. 20th Century Delivery Service, Inc., on and after the effective date hereof and on or before June 30, 1958, may issue not exceeding 1,000 shares of its common stock of the par value of \$100 each for the purpose set forth in this application.

2. 20th Century Delivery Service, Inc., 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 30th day of
DECEMBER, 1957.

Paul E. Mitchell
President
Paul W. Lawrence
R. Harbo
E. J. Fox

Commissioners