

ORIGINAL

Decision No. 59795

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of M.G.R.S., INC.,  
a corporation, for authority  
to issue stock.

Application No. 41841

O P I N I O N

By Decision No. 59710, dated February 23, 1960, in Applications Nos. 41589 and 41613, M.G.R.S., Inc., was authorized to enter into lease agreements with the Catalina Island Sightseeing Lines, a corporation, under the terms of which the former company is to operate the Steamer S.S. Catalina under a lease agreement for a period of two years. Also, in the same decision, M.G.R.S., Inc., was granted a certificate of public convenience and necessity to conduct such operations. In the instant application authority is requested to issue 200,000 shares of common stock, each share to have a par value of 50 cents and a total value of \$100,000, and 10,000 shares of Class A preferred stock, each share to have a par value of \$10 and a total value of \$100,000.

The common shares shall have one vote per share and the preferred shares have no voting rights except in case of default of dividends. The preferred shares are entitled to 6 per cent per annum cumulative dividends payable semiannually from funds legally available for dividends.

These shares are to be sold to Earnist McCook, D. Patrick Ahern, Walter N. Gates, Fred Rosenberg and Charley Stillwell. These five individuals are the incorporators and directors of M.G.R.S., Inc. The \$200,000 realized from the sale of this stock is to be placed in escrow for the purpose of establishing a fund to be used as working capital for the maintenance and improvement of facilities and service.

Upon reviewing the verified application, we are of the opinion and so find that the proposed stock issue should be authorized, and that it will not be adverse to the public interest. A public hearing is not deemed necessary.

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 by applicant corporation 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 ORDERED as follows:

(1) That M.G.R.S., Inc., a corporation, may issue not to exceed 10,000 shares of Class A preferred stock, each share having a par value of \$10, or a total aggregate value of \$100,000, and 200,000 shares of common stock, each share having a par value of 50 cents, or a total aggregate value of \$100,000, for the purpose of providing

(2) That none of the shares of stock authorized by paragraph 1 hereof, when issued, shall be sold by the owners of or persons entitled to said shares, or any interest therein, unless and until all documents evidencing any of said shares of stock shall be deposited with an escrow holder approved by the Commission, to be held as an escrow pending the further written order of the Commission, that the receipt of said escrow holder for said documents shall be filed with the Commission, and that the owners or persons entitled to said shares shall not consummate a sale or transfer of said shares, or any interest therein, or receive any consideration therefor, until the written consent of the Commission shall have been obtained so to do.

(4) That the effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup>  
day of March, 1960.

President  
W. H. H. H. H.  
C. L. L. L. L.  
Theodore D. D.  
Commissioners