

Decision No. 61874

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of M & R SERVICES, a corporation
for authorization to execute
evidence of indebtedness and
to issue shares

Application No. 43296
Filed April 10, 1961

O P I N I O N

M & R Services, applicant herein, is a California corporation operating as a public utility warehouseman at Pittsburg and vicinity, pursuant to a prescriptive right effective September 1, 1959, as determined by the Commission on August 16, 1960, in Case No. 6845.

In this application the company reports (1) that on July 18, 1960, it issued a \$180,000 ten-year 5-3/4% promissory note payable quarterly in favor of the Administrator of General Services, acting for and on behalf of the United States of America, to finance, in part, the purchase price of approximately six acres of land, together with a 27,000 square foot cargo storage building, and a 650 foot dock located on adjoining tidal land belonging to the State of California, and (2) that on October 10, 1960, it issue 2,000 shares of its no par value stock to existing stockholders in partial extinguishment of then existing indebtedness.

Applicant reports that it issued the note and shares of stock through inadvertence and with no intent to evade the provisions of the Public Utilities Code. It desires authority to issue a new note and new shares of stock in lieu of those issued without authorization. In addition, applicant proposes to issue 10,000 shares of its no par value capital stock at a stated value of \$20 per share to Tidewater Oil Company, and to use the proceeds to cancel any existing note or notes to Tidewater Oil Company, to retire stockholder loans, and to provide additional working capital.

From a review of the matter, including the financial statements attached to the application, it appears that the indebtedness to be refinanced represents proper capital expenditures, and that applicant has need for additional working capital. We find and conclude that the proposed note and stock issues are for proper purposes; that the money, property or labor to be procured or paid for by such issues is reasonably required for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. We will enter an order granting the application.

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,

IT IS ORDERED that -

1. M & R Services, a corporation, on or after the effective date hereof and on or before September 30, 1961, may issue a note in the principal amount of not to exceed \$180,000, in, or substantially in, the same form as that attached to the application as a portion of Exhibit D, and may issue not to exceed 2,000 shares of its no par value capital stock, to replace the existing note and shares of stock issued without first securing from the Commission an order authorizing the issues.

2. M & R Services, a corporation, on or after the effective date hereof and on or before September 30, 1961, may issue and sell not to exceed 10,000 shares of its no par value capital stock at a price of \$20 per share, and shall expend the proceeds in cancellation of a note, or notes, in favor of Tidewater Oil Company, to retire stockholder loans, and to provide additional working capital, as specified in the application.

3. M & R Services, a corporation, 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.

4. This order shall become effective when M & R Services, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$180.

Dated at San Francisco, California, this 25th day of April, 1961.

Robert A. Lee
President
John E. Ditzel
L. Lynn Fox
George L. Grover
Fredrick B. Holschoff
Commissioners

