

**ORIGINAL**

Decision No. 66215

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  
First Supplemental  
Filed October 4, 1963

FIRST SUPPLEMENTAL OPINION

By Decision No. 59795, dated March 15, 1960, in this proceeding, M.G.R.S., Inc., was authorized to 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 fifty cents, or a total aggregate value of \$100,000. Applicant reports that it has issued and sold said shares at their par value as authorized.

The preferred stock which applicant was authorized to issue is, under its terms, convertible at the option of the holders thereof at any time after one year from the issuance of said shares into fully paid common shares at par value. Through inadvertence applicant did not request authority to issue additional common shares in the event the holders of the Class A preferred shares exercised the option granted to them by their share certificates and no such authority was granted by the Commission.

Applicant now reports that the holders of certain of its Class A preferred shares desire to exercise their conversion rights and it requests authorization to issue 200,000 shares of its common stock, or so much thereof as may be necessary to meet the demand for the conversion privilege.

The Commission has considered this supplemental application and is of the opinion, and so finds, that (1) the conversion from Class A preferred shares to common shares will result in an improvement in applicant's capital structure; (2) the money, property or labor to be procured or paid for by the issue of said shares of common stock is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

Based upon the foregoing findings, we conclude that the supplemental application should be granted. A public hearing is not necessary.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that M.G.R.S., Inc., from time to time, may issue not to exceed an aggregate of 200,000 shares of its common stock to holders of its Class A preferred shares for conversion of said preferred shares on a basis of 20 common shares for each Class A preferred share.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 29<sup>th</sup> day of OCTOBER, 1963.

*William W. Burdick*  
President  
*Carl S. Mitchell*  
*Wendell Willkie*  
*George A. Brown*  
*Fredrick B. Holbrook*  
Commissioners