

ORIGINAL

Decision No. 68487

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Catalina Island)
Sightseeing Lines For An Order)
Approving A Distribution of)
Surplus)

Application No. 47207
Filed December 23, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Catalina Island Sightseeing Lines (1) to distribute its entire earnings and profits for 1964 to Santa Catalina Island Company, its sole stockholder, in a sum not to exceed \$350,000, and (2) to declare a dividend of its entire earnings and profits for 1964 without deduction for, or offsetting of, its accumulated deficit for 1963, in a sum not to exceed \$350,000.

By Decision No. 27188, dated June 30, 1934, in Application No. 19501, the Commission authorized applicant under its former name of Wilmington Transportation Company to issue 20,000 shares of its \$50 par value capital stock in exchange for 20,000 shares of its \$100 par value capital stock. The Commission conditioned such authorization upon the filing of a stipulation that, without consent of the Commission, applicant would not declare a dividend the amount of which is in excess of its earned surplus, and that for the purpose of declaring such dividend the surplus created by the reduction of said capital stock would not be considered by applicant as earned surplus.

Applicant reports that its total earnings and profits for 1964, including capital gain on the sale of the S. S. Catalina and certain motor cruisers, are in excess of its accumulated deficit as of December 31, 1963. The Commission authorized such sale by Decision No. 67166, dated April 28, 1964, in Application No. 46250. The company anticipates realizing an estimated income tax saving of approximately \$61,000 by distributing its entire 1964 earnings and profits to its sole stockholder.

Upon authorizing applicant to distribute the remaining balance in its reduction surplus account, the Commission by Ordering Paragraph No. 2 of Decision No. 47529, dated August 5, 1952, in Application No. 33555, revoked and annulled the stipulation filed pursuant to the order in said Decision No. 27188. It appears that at the time of filing the present application, the company was not aware of such revocation and annulment. Applicant, by letter dated December 29, 1964, believing that the relief requested is moot, requests an order dismissing the present application.

The Commission has considered this matter and finds that: (1) the stipulation which prompted applicant to file this application is no longer in effect; and (2) applicant may consummate the proposed transactions without authorization by this Commission. On the basis of these findings we conclude that the application should be dismissed. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Application No. 47207 is hereby dismissed.

2. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19th day of January, 1965.

Fredrick B. Holdoff
President

Paul E. Mitchell

George A. Grover

Shelton B. Bennett

Commissioners