

**ORIGINAL**

Decision No. 70079

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of COGGESEALL LAUNCH )  
COMPANY for an order authorizing )  
it to issue and sell 325 shares )  
of its \$100 par value capital )  
stock. )

Application No. 48023  
Filed November 3, 1965

O P I N I O N

Coggeshall Launch Company, a California corporation, is a carrier by water engaged in transporting passengers and freight on Humboldt Bay. In this proceeding the company requests authorization from the Commission to issue 325 shares of capital stock in order to obtain funds for the redemption of 325 shares owned by current stockholders.

Applicant reports that, as of August 31, 1965, 500 shares of capital stock were outstanding and that the book value of said stock was \$368.04 per share. The company amended its Articles of Incorporation, on or about October 22, 1965, for the purpose of increasing authorized capital stock from 500 shares of \$100 par value to 1,000 shares of \$100 par value.

The corporation proposes to issue and sell 325 shares of stock for a cash price of \$368.04 per share to Western Business Funds, a licensed small business investment company. The proceeds from such sale will be used for the redemption of 325 shares of outstanding capital stock now owned by certain shareholders who have agreed to dispose of their shares at a price of \$368.04 each.

It appears that the Small Business Investment Act of 1958, as amended, and the regulations promulgated thereunder, prohibit Western Business Funds from purchasing stock from shareholders of the corporation. Applicant asserts that it is therefore necessary to issue and sell the additional stock in order to obtain the cash funds of \$119,613 required to redeem certain stock outstanding.

The Commission has considered this matter and finds that: (1) the proposed stock issue is for a proper purpose; (2) 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 (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return applicant should be allowed to earn on its investment in plant and that the authorization herein given is not to be construed as a finding of the value of applicant's stock or properties nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Coggeshall Launch Company, on or before June 30, 1966, may issue and sell not to exceed 325 shares of its \$100 par value capital stock at a price of \$368.04 per share and shall use the proceeds for the purpose specified in this proceeding.

2. Coggeshall Launch Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

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

Dated at San Francisco, California,  
this 14<sup>th</sup> day of DECEMBER, 1965.

Fredrick B. Heblhoff  
President

George T. Trover

William W. D. ...

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Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.