

ORIGINAL

Decision No. 74408

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RAMS EXPRESS for)
a permit authorizing it to issue)
and sell securities.)

Application No. 50347
Filed June 24, 1968

O P I N I O N

Rams Express, a California corporation, requests authorization from the Commission to issue not exceeding 54,000 shares of its \$1 par value capital stock for distribution as a stock dividend to its shareholders.

Applicant is a highway common carrier transporting general commodities in the Los Angeles Basin Territory. The application shows that the company's outstanding capital stock consists of 6,000 shares of the aggregate par value of \$6,000, and that its retained earnings as of April 30, 1968, totaled \$125,168.48.

In this proceeding applicant proposes to issue 54,000 shares of its \$1 par value capital stock as a stock dividend of nine shares for each share now issued and outstanding, and to transfer the sum of \$54,000 from retained earnings to its capital stock account.

The Commission has considered this matter and finds that: (1) the proposed stock issue is for a proper purpose;

(2) applicant's retained earnings from operations exceed the proposed capital stock dividend to the extent that it may properly issue the stock dividend against such earnings;

(3) 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 (4) 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. Rams Express, on or after the date hereof and on or before October 31, 1968, may issue and distribute not exceeding 50,000 shares of its \$1 par value capital stock, at par, in the manner and for the purpose set forth in the application.

2. Rams Express 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 16th day of JULY, 1968.

William J. Synovis, Jr.
President
William C. Bennett

Augustus
Fred P. Monissey
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.