

LOB

Decision No. 81532

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of UNITED CALIFORNIA EXPRESS & )  
STORAGE CO., a California )  
corporation, for an order )  
authorizing the issuance and )  
sale of 25,000 shares of no )  
par value common stock. )

Application No. 54066  
(Filed May 29, 1973)

O P I N I O N

United California Express and Storage Co. seeks authority to issue and sell 25,000 shares of its no par value common stock, and to expend the proceeds for working capital.

The company is a California corporation operating as a public utility warehouseman in Alameda County. In addition, it operates as a motor carrier of property pursuant to permits issued by this Commission, and also operates under the jurisdiction of the Interstate Commerce Commission. For the year 1972, the company reports gross operating revenues of \$1,153,036 from motor carrier operations and \$1,135,070 from storage, packing, crating and container repair. Its 1972 reported net loss amounts to \$391,149.

A summary of applicant's December 31, 1972 balance sheet filed with this Commission is as follows:

Assets

Current assets	\$ 629,265
Tangible property - net	369,537
Investments and advances	426,798
Other assets	<u>54,995</u>
Total	<u>\$1,480,595</u>

Liabilities and Capital

Current liabilities	\$1,208,634
Long-term debt	437,118
Other liabilities	4,308
Common capital stock	31,740
Earned surplus (deficit)	<u>(201,205)</u>
Total	<u>\$1,480,595</u>

Applicant proposes to offer not exceeding 1,500 shares of its common stock to certain key employees at a price of \$5 per share. In addition, the company proposes to offer at a price of \$10 per share to monthly or annually compensated employees, commissioned salesmen, foremen under union contract and independent contract truckmen, a total of 23,500 shares plus whatever unpurchased shares remain from said offering of 1,500 shares. Employees of affiliates of applicant are included among the prospective purchasers of the 25,000 shares. After such offerings, unsold shares would be offered to holders of applicant's presently outstanding 119,025 shares of no par value common stock, following which the balance would be offered to friends and business associates of applicant's officers and directors, all at a price of \$10 per share.

After consideration the Commission 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 the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The action taken herein shall not be construed as a finding of value of applicant's stock or assets. The attention of applicant and its present and prospective shareholders is directed to Section 828 of the Public Utilities Code, which reads as follows:

"NO PROVISION OF THIS PART, AND NO ACT DONE OR PERFORMED UNDER OR IN CONNECTION THEREWITH, SHALL OBLIGATE THE STATE TO PAY OR GUARANTEE, IN ANY MANNER WHATSOEVER, ANY STOCK OR STOCK CERTIFICATE OR OTHER EVIDENCE OF INTEREST OR OWNERSHIP, OR BOND, NOTE, OR OTHER EVIDENCE OF INDEBTEDNESS, AUTHORIZED, ISSUED, OR EXECUTED UNDER THE PROVISIONS OF THIS PART."

O R D E R

IT IS ORDERED that:

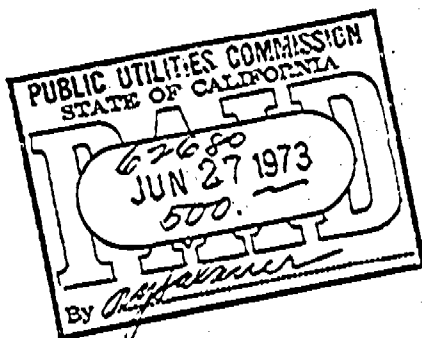
1. United California Express and Storage Co., on or after the effective date hereof and on or before June 30, 1974, may issue and sell not exceeding 25,000 shares of its no par value common stock to the persons, on the terms and conditions, and for the purpose set forth in this proceeding.

2. Prior to consummation of a sale to a prospective purchaser of stock herein authorized, United California Express and Storage Co. shall provide such prospective purchaser with a copy of this decision.

3. United California Express and Storage Co. shall file with the Commission the reports required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. This order shall become effective when United California Express and Storage Co. has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$500.

Dated at Los Angeles, California, this 26th day of June, 1973.



*Vernon L. Sturgeon*  
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President

*William Symons, Jr.*  
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*J. P. Vukasin, Jr.*  
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Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.