

Decision 82 11 017 NOV 3 1982

CONFIDENTIAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CP NATIONAL CORPORATION, a)
California corporation, for an)
order authorizing it to issue)
and sell securities.)

Application 82-03-53
(Filed March 12, 1982)

O P I N I O N

On April 21, 1982, the Commission issued Decision (D.) 82-04-078, among other things, authorizing CP National Corporation (CP National) to issue an amount of shares of its common stock which would produce proceeds of up to \$15,000,000. On November 1, 1982, CP National filed a Petition for Modification requesting that D.82-04-078 be modified to authorize it to issue up to 500,000 shares of its common stock.

The petition states that, at the time CP National filed Application (A.) 82-03-53, the price of its common stock on the New York Stock Exchange was such that the intended public offering of 500,000 shares of its common stock would have produced proceeds less than \$15,000,000 and CP National sought authorization in terms of proceeds rather than a specific number of shares in order to give it latitude to obtain up to \$15,000,000 of permanent capital. The pro forma financial data supporting A.82-03-53 was prepared on the basis of a \$15,000,000 public offering.

Because of the recent improvement of the market price of CP National's common stock (\$32 per share on October 27, 1982), it is now quite possible that the proceeds of CP National's public offering of 500,000 shares of common stock will produce proceeds slightly in excess of \$15,000,000.

On October 28, 1982, CP National filed a registration statement with the Securities and Exchange Commission (SEC) for a proposed public offering of 500,000 shares of common stock. In order to avoid the present \$15,000,000 authorization creating a limitation on the public offering and the necessity to reduce the number of shares offered, CP National proposes the above-mentioned modification.

Based on an assumed public offering price of \$32 per share and an underwriter's discount of approximately 4%, CP National estimates that it would receive net proceeds of \$15,360,000, only slightly more than the present authorization; however, the exact public offering price, underwriter's discount and net proceeds would not be known until the proposed effective date of the public offering on November 4, 1982. CP National estimates that the additional fee payable on the basis of the foregoing assumptions would be \$45.00.

CP National believes that it would be advantageous to the company and its customers to increase its equity and to maintain the public offering at 500,000 shares, given current market conditions.

Because CP National must file its pricing information with the SEC on November 4, 1982 for public offering on November 5, 1982, a decision on this matter is required today. This emergency justifies our action on the matter without inclusion on the public agenda.

Findings of Fact

1. D.82-04-078 granted CP National authority to issue stock producing proceeds of less than \$15,000,000.
2. Because of changes in the stock market, the offering of 500,000 shares may produce proceeds of more than \$15,000,000.

3. A registration statement has been filed with the SEC for 500,000 shares.

Conclusion of Law

Ordering paragraphs 6 of D.82-04-078 should be modified as set forth below.

O R D E R

Good cause appearing therefor, IT IS ORDERED that:

1. Ordering paragraph No. 6 of D.82-04-078 is modified to read in full as follows: "CP National Corporation may issue, sell, and deliver up to 500,000 shares of its common stock, \$5 par value."

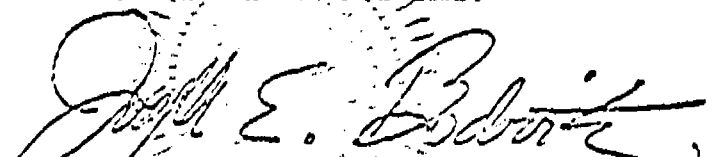
2. In all other respects the findings, conclusions and ordering paragraphs of D.82-04-078 remain in effect.

3. CP National shall pay an additional fee of \$45 as soon as practicable, but in no event later than November 12, 1982.

This order is effective today.

Dated NOV 3 1982, at San Francisco, California.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

JOHN E. BRYSON
President
RICHARD D GRAVELLE
LEONARD M GRIMES, JR.
VICTOR CALVO
PRISCILLA C CREW
Commissioners

