

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Viking Freight System, Inc. for authorization to split its' capital stock 3 for 1 and issue 1,345,923 shares under California Public Utilities Code Section 816-830.

Application No. 58598
(Filed January 12, 1979)

O P I N I O N

Viking Freight System, Inc. (Viking) seeks authority to issue 1,345,923 additional shares of its capital stock in accordance with a 3 for 1 split of its outstanding stock.

Viking is a California corporation operating as a highway common carrier under a certificate of public convenience and necessity granted pursuant to Decision No. 82475 dated February 13, 1974 in Application 54481. The carrier is authorized to service all major locations between Sacramento and San Diego. Operations are also conducted under permits issued by this Commission and under contract with the U.S. Postal Service as a carrier of mail between Los Angeles and Salt Lake City.

For the nine-month period ending September 30, 1978, Viking reported revenue of \$14,941,703 and net income of \$650,206. The carrier's unaudited balance sheet as of September 30, 1978, is summarized below:

<u>Assets</u>	<u>Amount</u>
Current assets	\$ 3,370,413
Carrier operating property, less accumulated depreciation	10,468,572
Other assets	<u>434,750</u>
Total	<u>\$14,273,735</u>
 <u>Liabilities and Equity</u>	
Current liabilities	\$ 5,492,580
Long-term debt	7,003,396
Other liabilities and deferred credits	86,095
Stockholder's equity	<u>1,691,664</u>
Total	<u>\$14,273,735</u>

Viking proposes to split up, convert and exchange no par value outstanding capital stock of 448,641 shares to 1,345,923 shares.

The company's outstanding shares are spread among 425 shareholders, with no one individual holding a majority interest. Most of the shareholders are employees or former employees of Viking.

No formal market exists for the applicant's stock, but fairly active trading has developed privately among employees and other shareholders. During 1977, 7932 shares changed hands; and during the first ten months of 1978, 30,000 shares were traded.^{1/} Most of the transactions involved less than one hundred shares.

Recent trades have been at \$16 per share, and based on earnings for 1978, it is not expected that the per share price will decline significantly. It is the applicant's policy to encourage stock ownership among its employees, and at present prices it is concerned that some employees will not feel capable of purchasing small lots of 10 to 15 shares of stock. A stock split will reduce the price per share to a level which will tend to encourage small investments. The proposed stock split was approved at Viking's annual meeting of stockholders on July 28, 1978. There will be no monetary consideration to Viking as a result of the split.

After consideration the Commission finds that the proposed 3 for 1 stock split would not be adverse to the public interest, and we conclude that the application should be granted. A public hearing is not necessary. The authorization granted herein is not to be construed as a finding of the value of the company's stock or property 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. Viking Freight System, Inc. on or after the effective date hereof and on or before September 30, 1979 may issue and distribute not exceeding 1,345,923 shares of its no par capital stock in exchange for its outstanding capital stock of 448,641

^{1/}The increase in the number of shares traded is primarily due to a 3 for 1 stock split authorized by Decision No. 88965, dated June 13, 1978, in Application No. 57795.

shares to effect a 3 for 1 stock split.

2. Viking Freight System, Inc. 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. This order shall become effective when Viking Freight System, Inc. has paid the minimum fee prescribed by Section 1904.1, which fee is \$50.

Dated at San Francisco, California, this 27th day of FEBRUARY, 1979.

John E. Boyer
President
George L. Stanger
Charles D. Howell
Edward J. DeLoach
Joseph H. Jones
Commissioners

