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Decision No. 13191

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MOTOR COACH COMPANY,)
a corporation, for an order permit-)
ting it to issue and sell certain)
shares of its corporate stock and)
to expend the proceeds derived there-)
from for certain purposes.)

Application Number 9750

Kidd, Hardy and Elliott,
by H.W.Kidd, for Applicant.

ORIGINAL

BY THE COMMISSION:

O P I N I O N

In this application Motor Coach Company, a corporation engaged in operating auto stages for the transportation of passengers between Santa Monica and Long Beach, asks permission to issue and sell, at par, \$55,028.00 of its common capital stock, and to use the proceeds to reimburse its treasury, pay outstanding indebtedness and finance the cost of additional equipment.

It appears that Motor Coach Company was organized on or about September 30, 1922, with an authorized capital stock of \$100,000.00, divided into 100,000 shares of the par value of \$1.00 each, all shares being common. By Decision No. 11606 dated February 6, 1923 the company was authorized to issue \$44,972.00 of stock for the purpose of acquiring the properties of V.C.Gorst and H.N. Richards, of paying indebtedness and of financing the cost of equipment. The company has heretofore reported that it has issued all of the stock authorized by the Commission's order.

The present application involves the issue and sale of all of applicants' authorized but unissued stock. It appears that the company intends to sell its stock at par for cash and to use the proceeds for the following purposes:-

To reimburse the treasury for moneys expended for equipment, additions and betterments	\$7,751.80
To pay indebtedness incurred for the purchase of equipment	16,655.55
To pay for two Ree busses	3,000.00
To purchase three Fageol busses	26,250.00
To purchase garage, motor and automobile parts and supplies	<u>1,370.65</u>
TOTAL	<u>\$55,028.00</u>

The application indicates that subsequent to the acquisition of the properties of V.C.Gorst and H.N.Richards, applicant has expended \$31,350.45 for additional equipment, consisting of \$26,770.30 for three Fageol busses, \$1,822.73 for two service cars, \$1,487.90 for buildings and \$1,269.52 for furniture, fixtures and miscellaneous properties, all as set forth in some detail in Exhibit "A". Of the total cost, \$31,350.45, the company reports that \$14,694.90 has been paid, leaving an unpaid balance, represented by notes, trade acceptances and contracts, of \$16,655.55. It appears that \$6,943.10 of the \$14,694.90 was obtained from the sale of the stock authorized by Decision Number 11606, leaving a balance for which the company has not been reimbursed, of \$7,751.80. It is now applicants' intention to use \$7,751.80 of the proceeds from the sale of stock herein applied for to finance these expenditures, and \$16,655.55 to pay the indebtedness.

The company reports that its business has been increasing rapidly and that in order to meet the increased demand and to render adequate service, it will be called upon to purchase additional equipment. It reports that it intends to acquire, from Dillingham Transportation Company for \$3,000.00, two 14-passenger

Reo busses, and in addition to purchase three new Fageol 29-passenger safety coaches with special street car bodies, at a cost of approximately \$8,750.00 each, or new equipment equivalent in value. The supplies to be purchased with the remaining \$1,370.65 includes ordinary parts and materials which it is desirable to have on hand for repairs and replacements.

ORDER

MOTOR COACH COMPANY having applied to the Railroad Commission for permission to issue and sell stock, and the Commission being of the opinion that this is a matter in which a public hearing is unnecessary and that the application should be granted, as herein provided:

IT IS HEREBY ORDERED that Motor Coach Company be, and it is hereby, authorized to issue and sell, at par for cash \$55,028.00 of its common capital stock and to use the proceeds for the purpose of reimbursing its treasury, of paying indebtedness and of financing the cost of additional equipment and supplies as more fully set forth in this application and in exhibits attached thereto.

The authority herein granted is subject to further conditions as follows:-

1. Applicant shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

2. The authority herein granted will become effective upon the date of this order but will expire on December 31, 1924.

DATED at San Francisco, California, this 21st day of February, 1924.

C. C. Sewer
H. A. Bonding
William Martin
Robert Shore

Commissioners.