

DEM

Decision No. 15807.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PICKWICK STAGES SYSTEM,
 a corporation, for an order permit-
 ting it to issue \$300,000. of equipment
 trust certificates.) Application No. 12067

In the Matter of the Application of
 PICKWICK STAGES SYSTEM,
 a corporation, for an order authoriz-
 ing the issue of capital stock in the
 sum of \$325,000.) Application No. 12068

Warren E. Libby, for applicant

BY THE COMMISSION:

ORIGINAL

OPINION

At the hearing had on December 21st before Examiner Fankhauser the above numbered applications were consolidated for hearing and decision.

In Application No. 12067 applicant asks permission to assume obligations involving the payment of \$300,000.00 of seven percent serial equipment trust certificates. Applicant intends to sell the certificates at not less than 95 percent of the face value thereof. The certificates are to be dated December 1, 1925 and are to mature as follows:-

December 1, 1927	\$60,000.
December 1, 1928	60,000.
December 1, 1929	60,000.
December 1, 1930	60,000.
December 1, 1931	60,000.

In Application No. 12068 applicant asks permission to issue and sell at par \$325,000. of common stock.

Reference will hereafter be made to the purposes for which applicant asks authority to expend the proceeds obtained from the sale of the equipment trust certificates and stock.

In its Exhibit No. 1 applicant reports assets and liabilities as of October 31, 1925 as follows:-

Plant and equipment	\$721,449.22	
Cash	20,467.48	
Bills receivable	305.03	
Accounts receivable	54,056.05	
Inter Co. accounts	78,220.40	
Agents and office accounts	9,161.59	
Materials and supplies	76,910.07	
Prepayments	18,748.92	
Other debit accounts	43,779.99	
Treasury stock	94,000.00	
Total assets		\$1,117,098.75
Capital stock	\$ 500,000.00	
Funded debt	236,000.00	
Notes payable	458.43	
Accrued liabilities not due	8,709.12	
Accounts payable	43,534.19	
Other debit accounts	17,656.17	
Reserve for depreciation	38,295.86	
Surplus	68,880.67	
Unapportioned earnings	203,564.31	
Total liabilities		\$1,117,098.75

It is of record that applicant on or before December 31, 1926 will have to expend about \$601,250.00 for the following new equipment:-

Ten 30-passenger inter-city type stages at Eleven Thousand Dollars each	\$110,000.00
Eight parlor buffet type stages at Fifteen Thousand Dollars each	120,000.00
Fourteen 22-passenger inter-city type stages, with individual seats, at Ten Thousand Dollars each	140,000.00
Fifteen 18-passenger inter-city type stages at Nine Thousand Dollars each	135,000.00
Nine 14-passenger inter-city type stages at Eight Thousand Two Hundred Fifty Dollars each	74,250.00
Two 28-passenger Pay-as-you-enter type stages at Eleven Thousand Dollars each	22,000.00
Total	<u>\$ 601,250.00</u>

Of this equipment, six 30-passenger inter-city stages costing \$66,000.00 and four 22-passenger inter-city stages costing \$40,000. are now ready for delivery. The testimony shows that equipment costing about \$300,000.00 including that just mentioned, will have to be acquired on or before June 30, 1925. The order herein will authorize the issue and sale of \$175,000.00 of stock and the assumption of obligations involving the payment of \$150,000. of equipment trust certificates. The issue and disposition of the remainder of the stock and equipment trust certificates will, upon request of applicant, be considered in a supplemental order.

O R D E R

Pickwick Stages System, a corporation, having applied to the Railroad Commission for permission to issue \$325,000.00 of common stock, and assume obligations involving the payment of \$300,000 of equipment trust certificates, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of \$175,000 of stock and the assumption of obligations involving payment of \$150,000. of equipment trust certificates payable on or before December 1, 1930, is at this time reasonably required by applicant, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Pickwick Stages System be, and it is hereby, authorized to issue at not less than par, \$175,000. of common stock.

IT IS HEREBY FURTHER ORDERED that Pickwick Stages System be, and it is hereby, authorized to execute and enter into an equipment trust agreement and a lease agreement substantially in the same

forms as Exhibit "B" and Exhibit "C", filed in Application No. 12067 and to assume or guarantee the payment of not exceeding \$150,000. of seven percent serial equipment trust certificates payable on or before December 1, 1930, referred to in said Exhibits "B" and "C", the issue of which is hereby authorized.

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

1. The equipment trust certificates which are herein authorized to be issued shall be sold at not less than 95 percent. of their face value plus accrued interest, and the proceeds obtained from the sale of such equipment trust certificates, other than the accrued interest, and the proceeds obtained from the sale of the stock herein authorized to be issued shall be used by applicant to pay in part the cost of equipment to which reference is made in the foregoing opinion. The accrued interest may be used for general corporate purposes.
2. The authority herein granted to execute an equipment trust agreement and a lease agreement is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of such equipment trust agreement and lease agreement as to such other legal requirements to which said equipment trust agreement and lease agreement may be subject.
3. Within thirty days after the execution of the equipment trust agreement and lease agreement, applicant shall file with the Commission certified copies of such equipment trust agreement and lease agreement.

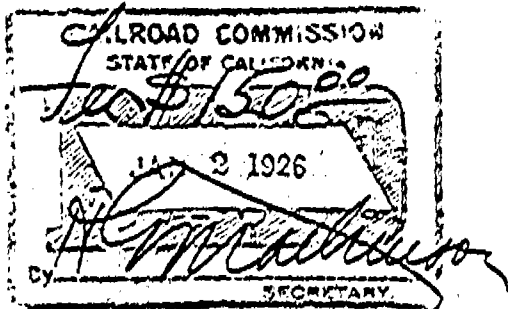
4. Applicant shall keep such record of the issue and sale of the stock and of the equipment trust certificates herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General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

5. From time to time as applicant acquires equipment through the use of the proceeds obtained from the sale of stock and equipment trust certificates herein authorized to be issued, it shall file with the Railroad Commission a description of the equipment so acquired.

6. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$150.

Under the authority herein granted no stock or equipment trust certificates may be issued after June 30, 1926.

DATED at San Francisco, California, this 29th day of December, 1925.



H. B. Pringle
C. L. ...
George D. Squires
Leon ...

Commissioners.