

LEM

Decision No. 16624.

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 three hundred thous-)
and dollars (\$300,000.) of equipment)
trust certificates.)

ORIGINAL
Application No. 12067

In the Matter of the Application of)
PICKWICK STAGES SYSTEM,)
a corporation, for an order author-)
izing the issue of capital stock in)
the sum of three hundred twenty-five)
thousand dollars(\$325,000.))

Application No. 12068

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

In the above entitled matters filed with the Commission on November 18, 1925, Pickwick Stages System, a corporation, applied for an order authorizing the issue and sale, at par, of \$325,000. of common capital stock and the issue and sale at 95, of \$300,000. of seven percent serial equipment trust certificates due in equal annual installments of \$60,000. during the years 1927 to 1931, both inclusive, and use the proceeds for the purpose of financing the cost of additional equipment as follows:-

Ten 30-passenger inter-city type stages at \$11,000. each	\$110,000.00
Eight parlor buffet type stages at \$15,000. ea.	120,000.00
Fourteen 22-passenger inter-city type stages, with individual seats at \$10,000. each	140,000.00
Fifteen 18-passenger inter-city type stages at \$9,000. each	135,000.00
Nine 14-passenger inter-city type stages at \$8,250.00 each	74,250.00
Two 28-passenger pay-as-you-enter type stages at \$11,000. each	22,000.00
Total.....	<u>\$601,250.00</u>

-It developed at the hearing held on the original applications on December 21, 1925 that a portion of said equipment, costing about \$300,000. would be acquired on or before June 30, 1926. The decision of the Commission, No. 15807, dated December 29, 1925 authorized the issue and sale of \$175,000. of stock and the issue of \$150,000. of certificates to provide in part, the cost of said equipment, and recited that the issue of the remainder of the stock and certificates applied for would be considered in a supplemental order.

The company now asks, in supplemental applications filed on April 20, 1926, for a further order authorizing the issue of the remaining \$150,000. of stock and \$150,000. of certificates originally applied for in these proceedings. It reports that up to March 31, 1926 there had been issued \$147,650.00 of the stock and \$138,000.00 of the certificates authorized by Decision No. 15807, that \$278,750. was received by the company and that this amount was used to finance in part the cost of the following equipment:-

Seven 50-passenger inter-city stages, at \$11,000.each	\$77,000.00
Nine 22-passenger inter-city stages at \$10,000.each	90,000.00
Four 18-passenger stages at \$9,000. each	36,000.00
Nine 14-passenger inter-city type stages at \$8,250. each	<u>74,250.00</u>
Total.....	<u>\$277,250.00</u>

The company reports, in its supplemental petition, that on account of disposing of some of its local lines it has decided to acquire two 26-passenger sedan type motor coaches instead of the two 28-passenger pay-as-you-enter type stages, at the same price. It reports that these two stages have been built and are now ready for delivery, that within the next ten days several of the 22-passenger stages and the 18-passenger stages will also be ready for delivery, and that within the next three months the remainder of the equipment will be delivered. It therefore asks to be allowed to issue the remaining stock and certificates at this time.

The Commission has given consideration to the supplemental applications and is of the opinion that this is a matter in which a further hearing is not necessary and that the money, property or labor to be procured or paid for through the issue of the stock and certificates is reasonably required for the purposes specified herein and that the expenditures for such purposes 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 amend the equipment trust agreement and the lease agreement executed pursuant to the authority granted in Decision No. 15807 dated December 29, 1925 by substituting two 26-passenger sedan type motor coaches, costing about \$11,000. each, for two 28-passenger pay-as-you-enter type stages costing about \$11,000. each.

IT IS HEREBY FURTHER ORDERED that Pickwick Stages System be, and it is hereby, authorized to issue and sell, at not less than par, \$150,000. of its common capital stock and to assume or guarantee the payment of not exceeding \$150,000. of seven percent serial equipment trust certificates to be issued pursuant to the equipment trust agreement and lease agreement referred to in said Decision No. 15807, dated December 29, 1925.

The authority herein granted is subject to the following conditions:-

1. The equipment trust certificates shall be sold at not less than 95 percent of face value plus accrued interest and the proceeds, other than accrued interest, together with the proceeds from the sale of the stock herein authorized, used to pay in part the cost of the equipment to which reference is made in the foregoing opinion. The accrued interest may be used for general corporate purposes.
2. Applicant shall keep such record of the issue, sale and delivery of the stock and certificates and of the dis-

position 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.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section "6" of the Auto Stage and Truck Transportation Act, and Section "57" of the Public Utilities Act, which fee is \$150.00. Under such authority no stock or certificates may be issued after December 31, 1926.

DATED at San Francisco, California, this 3d day
of May, 1926.

H. B. Brundage
C. L. Seavoy
Ernest W. Smith

Commissioners.

