

Decision No. 17508

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC COAST MOTOR COACH COMPANY)
for an order authorizing it to sell)
and issue its promissory notes.)

ORIGINAL

Application No. 13236

Richard S. North, for applicant.

BY THE COMMISSION:

OPINION

Pacific Coast Motor Coach Company, a corporation engaged in the business of operating a motor coach line for the transportation of passengers between Newport Beach and San Juan Capistrano, asks permission to issue its promissory notes in the aggregate face amount of \$10,000. payable five years after date of issue, with interest at seven percent per annum, and secured by mortgage of all of its property and equipment. The company further asks permission to pay a commission of 2-1/2 percent to sell the notes and to use the net proceeds to be received from the notes to purchase new equipment.

Applicant has an authorized capital stock of \$25,000., divided into 1,000 shares of the par value of \$25. each, all common, of which 313 shares of the total par value of \$7,825. are now outstanding. In Application No. 12877, the company reports

its assets, as of April 22, 1926, as follows:-

Equipment	\$5,200.00
Cash on hand.	132.74
Accounts receivable	7.50
Ticket stock.	500.00
Stationery and printing	500.00
Auto supplies	550.00
Office supplies	150.00
Miscellaneous	<u>784.76</u>
Total	<u>\$7,825.00</u>

The company further reports that it has no indebtedness.

The equipment of \$5,200. consisted of one 1923 Moreland 16-passenger coach, one 1925 Reo 16-passenger coach and one 1922 Stevens touring car. The company heretofore has reported the need of additional equipment and in Application No. 12877 asked permission to issue \$20,000. of promissory notes for the purpose of acquiring it. Applicant's request to issue \$20,000. of notes was denied without prejudice. (See Decision No. 17045, dated July 2, 1926.)

It now appears that the company has modified its plans and in this proceeding asks permission to issue only \$10,000. of notes. It does not, however, advise the Commission of the nature of the equipment to be purchased and the order herein, while authorizing the issue of the notes, will provide that none of the proceeds to be realized may be used except as authorized by the Commission in supplemental orders herein.

It is planned by applicant to execute a mortgage of all its properties to secure the payment of the notes. We believe that in addition the notes should be endorsed by applicant's

stockholders and will so provide in the order herein.

O R D E R

Pacific Coast Motor Coach Company having applied to the Railroad Commission for permission to execute a mortgage and to issue notes, and the Railroad Commission being of the opinion that this is a matter in which a public hearing is not necessary and that the money, property or labor to be procured or paid for through such issue is reasonably required by applicant for the purpose specified herein, and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Pacific Coast Motor Coach Company be, and it hereby is, authorized to execute a mortgage substantially in the same form as that filed with the Commission in Application No. 12877, and to issue and sell, at not less than 97-1/2 percent of face value net, its promissory notes in the aggregate face value of \$10,000., payable on or before five years after date with interest at not exceeding seven percent per annum.

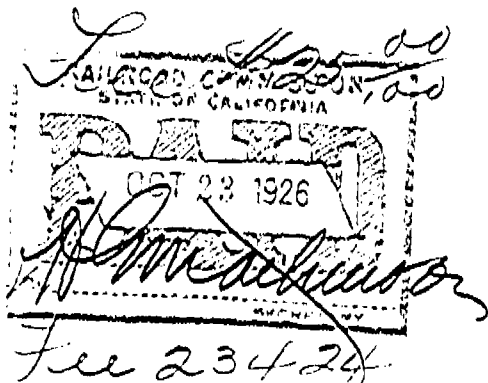
The authority herein granted is subject to the following conditions:-

1. Upon being authorized to do so in supplemental orders herein, applicant may use the net proceeds to be received through the issue of the notes to pay for additional equipment.
2. The authority herein granted to execute a mortgage is for the purpose of this proceeding only and is

granted only insofar as this Commission may have jurisdiction under the terms of the Public Utilities Act and the Auto Stage and Truck Transportation Act, and is not intended as an approval of such mortgage as to such other legal requirements to which said mortgage may be subject.

3. No note or notes may be issued unless and until said note or notes is endorsed by applicant's stockholders.
4. No note or notes may be issued until applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act and Section 6 of the Auto Stage and Truck Transportation Act, which fee is Twenty-five (\$25.00) Dollars.
5. Applicant shall keep such record of the issue and sale of the notes 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.

DATED at San Francisco, California, this 21st
day of October, 1926.



H. B. Bridge
Chairman
Leon A. Whittell
Thos. J. Louie
Commissioners.