

IRA

ORIGINAL

Decision No. 18138

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PEOPLES EXPRESS CO.,)
a corporation, for an order author-)
izing the issuance of evidence of)
indebtedness.)

Application No. 13559.

BY THE COMMISSION:

O P I N I O N

In this application Peoples Express Co. asks the Railroad Commission to make an order authorizing it to issue its promissory note in the principal amount of \$60,000.00 secured by deed of trust.

Peoples Express Co. is engaged in the business, among others, of transporting freight between San Francisco, Oakland, Berkeley, Alameda, Piedmont, Emeryville, Fruitvale and Melrose. It appears that the corporation has incurred certain obligations, which are now outstanding, in acquiring real property used in its operations and in making additions to and improvements of its properties and equipment. The obligations, which aggregate \$56,850.00, include a one year six percent note for \$40,000.00 dated November 10, 1925, in favor of Bank of Italy, a one year seven percent note for \$12,500.00 dated November 20, 1925, in favor of California Transit Co. and four short term notes in favor of Bank of Italy in the total amount of \$4,350.00.

1.

Applicant proposes to use the proceeds obtained through the issue of the \$60,000.00 note, applied for in this application, to discharge the outstanding obligations to which reference is herein made and to pay for improvements and additions to its properties and facilities and to provide working capital for its operations. The new note will bear interest at the rate of six percent per annum, will be payable in monthly installments of \$600.00 each and will be secured by a deed of trust to Bank of Italy, a copy of which is filed with the petition as Exhibit "B". This deed of trust will be a first lien on properties situated in the City of Oakland and described as follows:-

LOTS Numbered 5,6,7,8,9,10 and 11 in Block Numbered 138, as the said Lots and Block are laid down and delineated upon Kellersberger's Map of Oakland, on file in the office of the County Recorder of said County of Alameda.

Applicant heretofore has filed financial statements with this Commission showing the results from its operations. As of December 31, 1925, it reports assets and liabilities as follows:-

ASSETS:

Plant and equipment	\$128,497.59	
Cash	2,435.83	
Accounts receivable	1,405.53	
Total Assets		<u>\$132,338.95</u>

LIABILITIES:

Capital Stock	\$32,000.00	
Notes payable	55,150.00	
Accounts payable	8,427.56	
Other credit accounts.	46.80	
Reserve for accrued depreciation.	35,058.43	
Corporate surplus	1,656.16	
Total Liabilities		<u>\$132,338.95</u>

L. A. Alborelli, President of Peoples Express Co., reports that the assets of the company during 1926 have increased and that, in his opinion, its earnings will be sufficient to pay the interest on the \$60,000.00 note and the monthly installments of the principal.

ORDER

Peoples Express Co. having applied to the Railroad Commission for permission to execute a note and the 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 the issue of such note is reasonably required by applicant 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 Peoples Express Co. be, and it hereby is, authorized to execute a promissory note in the principal amount of \$60,000.00 payable in monthly installments of \$600.00 each and to secure the payment of the note through execution of a deed of trust substantially in the same form as the deed of trust filed with this petition as Exhibit "B".

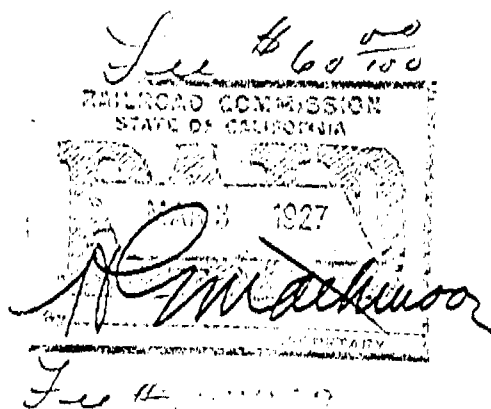
The authority herein granted is subject to the following conditions:-

1. The authority herein granted to execute a deed of trust is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the Public Utilities Act and the Auto Stage and Truck Transportation Act

and is not intended as an approval of said deed of trust as to such other legal requirements to which said deed of trust may be subject.

2. Applicant may use the proceeds to be received through the issue of the note herein authorized to discharge the outstanding indebtedness of \$56,850.00 to which reference is made in the foregoing Opinion and to finance the cost of additions and improvements to its plant and properties and to provide working cash capital.
3. Applicant shall keep such record of the issue of the note 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.
4. 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 Sixty (\$60.00) Dollars.

DATED at San Francisco, California, this 2nd day of March, 1927.



Ernest J. ...
H. B. ...
Clarence ...
Leon ...
Thos. ...

Commissioners.