

LEB

Decision No. 18130.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WEST SIDE TRANSIT COMPANY,)
a corporation, for an order author-) Application No. 13554
izing it to borrow money secured by)
a mortgage on real estate owned by it.)

Todd, Pawson and Watkins, by N.M. Todd,
for applicant.

BY THE COMMISSION:

O P I N I O N

The West Side Transit Company asks permission to issue a \$12,000.00 eight percent note, principal and interest payable at the rate of \$156.00 per month, to execute a deed of trust to secure the payment of such note, and use the proceeds for the purpose of paying indebtedness.

Applicant is engaged in the automobile bus transportation business, transporting passengers for compensation in the City of Long Beach and between the City of Long Beach and Manchester Avenue in the City of Los Angeles. It is of record that on December 18, 1924 applicant executed and delivered its promissory note in the principal sum of \$12,000.00 payable in monthly installments of \$100. with interest thereon at the rate of eight percent per annum payable monthly, and executed a mortgage to secure the payment of such note. The evidence shows that at the time of the issue of the note and the execution of the mortgage applicant was not familiar with the provisions of the Transportation Act. Upon having its attention called to those provisions applicant filed with the Commission the pending application.

The testimony shows that the money obtained through the issue of the \$12,000.00 note to which reference has been made was used for the purpose of constructing a garage, and repair shop building. Of the indebtedness created December 18, 1924 there remains now due and payable approximately \$9,700.00.

The company, however, asks permission to issue a new note of the sum of \$12,000.00 and use part of the proceeds to pay the indebtedness to which reference has been made and to use the remainder to pay a \$2,000. note due Pacific Southwest Bank and provide itself with working capital. The proposed deed of trust will be a lien on real property located in the City of Long Beach and more particularly described as Lot Seven(7), except the northerly Seventy-three (73) feet thereof, Block four(4) Long Beach Harbor View Tract, as per map recorded in Block three (3) page fifty-six(56) of maps in the office of the County Recorder of the County of Los Angeles. The property is reported to have cost applicant \$23,388.65 and is alleged to have a present value of \$35,000.00.

O R D E R

West Side Transit Company having applied to the Railroad Commission for permission to issue a \$12,000. note and execute a deed of trust, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant and that the purposes for which applicant is herein authorized to expend the proceeds obtained from the issue of said note are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that the West Side Transit Company be, and it is hereby, authorized to issue to The Mutual Building and Loan Association of Long Beach a \$12,000.00 note payable at the rate of \$156.00 per month including principal and interest, with interest thereon at the rate of eight percent per annum, and to execute a deed of trust substantially in the same form as the deed of trust filed in this proceeding on March 16, 1927, provided that the authority herein granted to execute said deed of trust is for the purpose of this proceeding only and is granted insofar as the Commission has jurisdiction under the terms of the Public Utilities 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.

IT IS HEREBY FURTHER ORDERED that West Side Transit Company shall use the proceeds obtained from the issue of the notes, to pay the balance due on the indebtedness created on December 18, 1924; to pay the \$2,000. note referred to in this application and to provide itself with working capital.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00, and that applicant shall keep such record of the issue, sale and delivery 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.

DATED at San Francisco, California, this 30th day of March, 1927.

Fee \$ 25.00
 RAILROAD COMMISSION
 STATE OF CALIFORNIA
 APR 2 1927
 BY *[Signature]*
 Fee # 23399

[Signature]
[Signature]
[Signature]
 Commissioners.