

LRA

Decision No. 19549

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
AUTO TRANSIT COMPANY,)
a corporation, for an order author-)
izing it to issue notes and to)
mortgage certain of its property to)
secure the same.)

Application No. 14465.

Sanborn & Roehl and De Lancey C. Smith,
by H. E. Sanborn, for applicant.

BY THE COMMISSION:

OPINION

Auto Transit Company, a corporation engaged in operating auto stages for the transportation of passengers and baggage between San Francisco and Monterey and Salinas and certain intermediate points, has applied to the Railroad Commission for an order authorizing it to execute a chattel mortgage on certain of its property and to issue a promissory note, secured thereby, in the principal amount of \$10,000.00, payable in monthly installments of \$600.00 with interest at the rate of six percent per annum.

The company proposes to use the proceeds to be received through the issue of the note to pay outstanding indebtedness amounting to \$8,630.00 and to finance in part the cost of a new stage body. It reports, in this connection, that as of February 1, 1928, it was indebted to Coast Counties Gas and

Electric Company, under a conditional sales contract, in the amount of \$4,775.00, payable in monthly installments of \$862.50 with interest at eight percent; to United Bank and Trust Company in the amount of \$3,000.00, evidenced by a short term six percent note; and to Fisher Motor Body Company in the amount of \$855.00, payable in monthly installments of \$200.00, with interest at eight percent. It appears that the indebtedness in favor of Coast Counties Gas and Electric Company represents amounts due on the purchase of certain equipment used in applicant's operations in Santa Cruz and that the note to United Bank and Trust Company was issued to obtain funds to pay one of the installments under the above conditional sales contract, to pay in part the cost of a new stage body and for current corporate purposes. The obligation of \$855.00 is the balance due on the purchase price of \$2,750.00 for a stage body.

The indebtedness to be paid aggregates \$8,630.00. The company proposes to use the remaining \$1,370.00 it will receive from the proposed note issue to pay in part the purchase price of \$2,750.00 for another stage body it intends to acquire for a chassis it now owns.

Arrangements have been made to execute the new chattel mortgage and to issue the \$10,000.00 note to United Bank and Trust Company, payment to be made, as indicated above, in monthly installments of \$600.00 with interest at the rate of six percent. The proposed mortgage will be a lien on eleven of the stages now used by applicant, which, according to the application, cost \$68,074.34 and have an estimated net value, after deducting depreciation, of \$34,072.31. The proposed form of mortgage appears to be satisfactory.

O R D E R

Auto Transit Company having applied to the Railroad Commission for permission to execute a mortgage and to issue a note, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the application should be granted, as herein provided,

IT IS HEREBY ORDERED that Auto Transit Company be, and it hereby is, authorized to execute a mortgage substantially in the same form as that filed with the application herein as Exhibit "E" and to issue its promissory note, secured thereby, in the principal amount of \$10,000.00, payable in monthly installments of \$600.00, with interest on deferred payments at the rate of six percent per annum, and to use the proceeds to be received through the issue of such note to pay the outstanding indebtedness of \$8,630.00 referred to in the foregoing opinion and to finance in part the cost of a new stage body.

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

1. The authority herein granted to execute a mortgage 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 said mortgage as to such other legal requirements to which said mortgage may be subject.
2. 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, within thirty (30) days thereafter, 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 minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 2nd
day of ~~March~~ ^{April}, 1928.

Leon Whittell

Ed Seamy

Ernest G. ...

Thos. D. ...

M. J. ...

Commissioners.

