

LBM

Decision No. 20578

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC ELECTRIC MOTOR TRANSPORT)
COMPANY, a corporation, for author-)
ity to sell and issue one thousand)
shares of its capital stock, and of)
Pacific Electric Railway Company,) Application No. 15137
a corporation, to buy said stock.)

Frank Karr and C. W. Cornell, for applicants.

BY THE COMMISSION:

O P I N I O N

In the above numbered proceeding, the Railroad Commission is asked to make an order authorizing Pacific Electric Motor Transport Company to issue and sell 1,000 shares of its common capital stock of the aggregate par value of \$100,000.00, for the purpose of acquiring motor trucks and other equipment, and authorizing Pacific Electric Railway Company to purchase such stock.

It appears that Pacific Electric Motor Transport Company was incorporated by Pacific Electric Railway Company. The application shows that the new corporation was organized on or about October 9, 1928, and that under its Articles of Incorporation it is empowered, among other things, to perform the following acts;-

"To transact the business of transporting freight, merchandise or other property for compensation on the line of any common carrier or stage or auto stage line within this State.

To conduct and carry on the business of transportation of freight, express and any other commodities, and of passengers, by motor vehicle or any other means or mode of transportation.

To carry on a general truck, transfer, shipping, receiving and forwarding business in all its branches, and to conduct a general warehousing business.

To maintain freight stations, yards, sheds and warehouses for the handling of freight and express matter, and to maintain and operate ticket offices, branches and agencies at such places as the corporation may deem desirable for the transaction of its business.

To lease, purchase, or otherwise acquire and dispose of motor trucks and coaches and vehicles and equipment of every name and character and by whatsoever motive power propelled.

To manufacture, buy, sell, import, export and generally deal in and with all kinds of vehicles, engines, machines or appliances for the generation of steam, electric, gasoline or other power for the purpose of propelling cars, carriages, wagons, trucks and vehicles of every kind and description."

The record in this matter indicates that the company intends to operate as an express company over the lines of the Pacific Electric Railway Company. Initially it proposes to operate between Los Angeles and the harbor and Long Beach, but ultimately it plans to extend its service to all points where the volume of traffic justifies such service.

To finance and equip the express service between Los Angeles and the harbor and Long Beach, including pick-up and delivery, and delivery service of L.C.L. freight between the Pacific Electric Railway Company's depot and other stations, the corporation desires to issue and sell at par 1,000 shares of its common capital stock of the aggregate par value of \$100,000.00. It reports that it will need at this time fifty demountable vans, costing \$26,565.00, six 6-wheel trucks and six 3 to 5 ton trucks, costing \$64,350.00, and terminal and other equipment costing \$9,085.00. Working capital, it is said, will be advanced by Pacific Electric Railway Company.

Pacific Electric Railway Company proposes to acquire at par the 1,000 shares of stock which Pacific Electric Motor Transport Company here asks permission to issue. The two companies have entered into an agreement, dated October 17, 1928, by the terms of which the railway company has agreed to advance to the

motor transport company, upon demand, such sums of money as it may require for capital purposes, and to accept from the motor transport company shares of capital stock at par in payment and settlement for such advances. The approval here given for the issue at this time by Pacific Electric Motor Transport Company of 1,000 shares of stock should not be construed as authority to issue additional shares of stock, as provided in the agreement of October 17, 1928, nor as an approval of said agreement.

O R D E R

Pacific Electric Motor Transport Company, having applied to the Railroad Commission for permission to issue stock, and Pacific Electric Railway Company, having applied for permission to acquire such stock, a public hearing having been held before Examiner Williams, and the Railroad Commission being of the opinion that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the stock is reasonably required for the purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Pacific Electric Motor Transport Company be, and it hereby is, authorized to issue and sell, at par, on or before June 30, 1929, 1,000 shares of its common capital stock of the aggregate par value of \$100,000.00, and to use the proceeds to acquire the equipment referred to in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that Pacific Electric Railway Company be, and it hereby is, authorized to acquire and hold the 1,000 shares of stock which Pacific Electric Motor Transport Company

is herein authorized to issue.

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

1. Pacific Electric Motor Transport Company shall keep such record of the issue and sale of the stock 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.
2. Pacific Electric Motor Transport Company shall advise the Commission of the date upon which it commences to operate its express service and shall file, in duplicate, tariffs, in form satisfactory to the Commission, covering its rates, rules and regulations.
3. The authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 13th day of December, 1928.

Leon Whitely

C. A. Sealey
Emmerson

M. J. Con
Commissioners.