

LEM

Decision No. 21338.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
PEERLESS STAGES, INCORPORATED,)
a corporation, to issue certain notes) Application No. 15752
and deeds of trust in security thereof.)

Harry A. Encell, for applicant.

BY THE COMMISSION:

O P I N I O N

Peerless Stages, Incorporated, asks the Commission to make an order permitting it to execute two deeds of trust and to issue two promissory notes, secured by said deeds of trust, in the total principal amount of \$21,500.00.

It appears that Peerless Stages, Incorporated, in general, is engaged in the business of operating automobile stages for the transportation of passengers between Oakland and San Jose and intermediate points and San Jose and Santa Cruz and intermediate points. The application shows that the company proposes to construct a garage and service building in San Jose for the housing of its machinery and equipment and to that end has obtained from the Austin Company of California a proposal for the erection of such a building at the southwest corner of St. James and Pleasant Streets, San Jose. The proposal of the Austin Company of California, filed as Exhibit "A", provides for the construction of a brick wall

building with steel roof trusses at a cost of \$25,600.00. Under the proposed arrangements applicant is to furnish the parcel of land free and clear of all encumbrances and \$4,100.00 additional in cash, and is to execute a note, secured by a first deed of trust, in favor of Bank of Italy, Oakland Branch, in the amount of \$12,500., payable in monthly installments of \$100.00 with interest at the rate of six percent per annum, and a second note, secured by a second deed of trust, in favor of Austin Securities Company, in the amount of \$9,000.00, payable in monthly installments of \$150.00 with interest at the rate of seven percent per annum. Copies of the proposed deeds of trust are attached to the petition herein as Exhibits "B" and "C" and appear to be in satisfactory form.

Applicant reports that the building now occupied by it, under a rental arrangement, is of unsatisfactory design for its requirements and that it will be of advantage to it to own its own building. An analysis of applicant's financial reports on file with the Commission, indicates that the company should readily meet its obligations under the two deeds of trust and it therefore appears to us that the granting of this application is not contrary to the public interest.

ORDER

Peerless Stages, Incorporated, having applied to the Railroad Commission for permission to execute deeds of trust and notes, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary, and that the issue of the notes is reasonably required for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED, that Peerless Stages, Incorporated, be, and it hereby is, authorized to execute a deed of trust, substantially in the same form as that filed in this proceeding as Exhibit "B", and to issue its promissory note secured by said deed of trust in favor of Bank of Italy, Oakland Branch, in the amount of \$12,500., payable in monthly installments of \$100.00, with interest at the rate of six percent per annum on the unpaid balance.

IT IS HEREBY FURTHER ORDERED that Peerless Stages, Incorporated, be, and it hereby is, authorized to execute a second deed of trust, substantially in the same form as that filed in this proceeding as Exhibit "C", and to issue its promissory note secured by said second deed of trust in favor of Austin Securities Company in the amount of \$9,000.00, payable in monthly installments of \$150.00, with interest at the rate of seven percent per annum on the unpaid balance.

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

- (1) Applicant shall use the proceeds to be received through the issue of the notes herein authorized, or such notes, to finance in part the building referred to in the foregoing opinion.
- (2) The authority herein granted to execute deeds of trust 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 deeds of trust as to such other legal requirements to which they may be subject.

(3) Applicant shall keep such record of the issue 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.

(4) 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 3rd day of July, 1929.

CL Seaver

Ernest Cook

W. P. Carr

Commissioners.

Fee \$ 25.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
JUL 3 1929
[Signature]
SECRETARY
Fee # 27863