

LBM

Decision No. 24254

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VALLEY AND COAST TRANSIT COMPANY)
for permission to renew certain) Application No. 17794
promissory notes.)

E. L. McConnel, for applicant.

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Valley and Coast Transit Company asks permission to issue its one year non-interest bearing notes in the aggregate amount of \$15,000.00 to pay outstanding indebtedness and, in the event said notes are not paid when due, to renew them for an additional year.

It appears that Valley and Coast Transit Company is a corporation organized on or about January 9, 1928 under the laws of the State of California. It is chiefly engaged in the transportation of freight between San Francisco and San Luis Obispo and Orcutt, between San Luis Obispo and San Simeon, and between San Luis Obispo and Oceano and Arroyo Grande, and certain intermediate and other points as set forth in Decision No. 23643, dated May 4, 1931, Decision No. 20115, dated August 15, 1928 and Decision No. 19262, dated January 18, 1928.

The company has outstanding \$30,000.00 of common stock, substantially all of which is held by P. W. McConnel, E. L. McConnel and Pacific Coast Engineering Company, and \$15,000.00 of

notes payable as follows:

PAYEE	DATE	DUE	INT	AMOUNT
Pacific Coast Engineering Co.	1/19/1928	Demand	7%	\$1,000.00
E.L.McConnel	1/19/1928	Demand	7%	1,000.00
Pacific Coast Engineering Co.	3/25/1928	Demand	7%	1,000.00
P. W. McConnel	3/25/1928	Demand	7%	1,000.00
Pacific Coast Engineering Co.	7/6/1928	Demand	7%	5,000.00
E.L.McConnel	7/ 6/1928	Demand	7%	3,000.00
E.L.McConnel	7/ 6/1928	Demand	7%	2,000.00
Pacific Coast Engineering Co.	3/3/1931	Demand	7%	500.00
E. L. McConnel	3/3/1931	Demand	7%	500.00
TOTAL.....				<u>\$15,000.00</u>

The first four notes, aggregating \$4,000.00 were said to have been used to provide working capital, the next three, dated July 6, 1928, in the total amount of \$10,000.00, are reported to have been issued to pay for three units of equipment consisting of a three ton Reo truck, with body, costing \$2,785.00, a three ton Reo truck, with body, costing \$2,944.27, and a three ton Autocar truck, with body, costing \$5,360.30, while the last two notes issued on March 3, 1931 for \$1,000.00 were issued to pay the cost of presenting Application No. 16704 to this Commission for an extension of the company's operative rights. The application was granted by Decision No. 23643, dated May 4, 1931.

It now is proposed to renew these present notes through the issue of three one-year notes as follows:

PAYEE	DATE	DUE	INT	AMOUNT
Pacific Coast Engineering Co.	11/30/1931	11/30/'32	None	\$ 7,500.
P. W. McConnel	11/30/1931	11/30/'32	None	1,000.
E. L. McConnel	11/30/1931	11/30/'32	None	6,500.
TOTAL.....				<u>\$15,000.</u>

The holders of the notes, according to the application, have agreed that all interest on the notes to be renewed shall be waived on execution and delivery of renewal notes and that the re-

newal notes shall provide that they shall draw no interest either before or after maturity.

It appears to us that the application should be granted. At the same time we wish to place the company on notice that the authority herein granted to issue notes is not to be construed as a finding by the Commission that the expenditures represented by such notes should be charged to plant and equipment accounts nor as an approval by the Commission of such items as the bases for any subsequent requests on the part of the company to increase rates or to issue stock to pay the notes. In our opinion a public hearing in this matter is not necessary, therefore,

IT IS HEREBY ORDERED, that Valley and Coast Transit Company be, and it hereby is, authorized to issue its one year non-interest bearing notes, dated November 30, 1931, and due November 30, 1932, in the aggregate principal amount of \$15,000.00, as set forth herein, for the purpose of paying or renewing the notes of a total like amount now outstanding and, in addition, in the event said notes herein authorized are not paid when due, to renew the same upon maturity for a further period of one year from November 30, 1932.

The authority herein granted is subject to the following conditions:

1. Applicant shall keep such record of the issue of the notes herein authorized as will enable it to file within thirty (30) days after such issue 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. The authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section

57 of the Public Utilities Act and Section 6 of the
Auto Stage and Truck Transportation Act, which fee
is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 30th day of
November, 1931.

Ch. Seung
Leon [Signature]
M. J. [Signature]
M. B. [Signature]
Fred G. [Signature]
Commissioners.

Fee # 25.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
NOV 30 1931
BY [Signature]
SECRETARY
Fee # 29136