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Decision No. 11348.

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
N.A. WEBB, F.S. HENDRICKS and D.E.)
HAMILTON, co-partners, operating)
PASADENA-OCEAN PARK AUTO STAGE LINE)
for approval of a renewal of a chat-)
tel mortgage.)

Application No. 8424.

N.A. Webb for applicants.

BY THE COMMISSION:

O P I N I O N.

In this application, N.A. WEBB, F.S. HENDRICKS and D.E. HAMILTON, co-partners, operating an auto stage line for the transportation of passengers between Pasadena and Ocean Park, ask the Railroad Commission for permission to execute a mortgage to secure the payment of twelve promissory notes of the aggregate face value of \$9,000.00.

A public hearing was held before Examiner Williams in Los Angeles on December 5, 1922.

The record shows that applicants herein pursuant to the Commission's Decision No. 9337, dated August 9, 1921, acquired certain operative rights and properties from Harry A. Wilson for a total consideration of \$25,000.00, of which \$10,000.00 was paid in cash and \$15,000.00 was evidenced by an installment note maturing on or before one year after date and secured by a chattel mortgage.

The present petition shows that up to August 14, 1922, \$6,000.00 of this note has been paid and that on that date a new mortgage was executed to secure the payment of the remaining \$9,000.00. This new mortgage, a copy of which is attached to the application, is a first lien on seven auto stages operated by applicants and secures the payment of twelve notes maturing in equal monthly install-

ments of \$750.00, commencing one month after date, deferred payments bearing interest at the rate of eight per cent per annum.

Applicants executed their renewal mortgage without first obtaining authority from the Railroad Commission. It appears, however, that such execution was made through inadvertence and with no intent to evade the provisions of the Public Utilities Act. We believe that the mortgage and notes heretofore authorized are void and should be returned to applicants and canceled and the new mortgage and new notes herein authorized be given in place thereof.

O R D E R

N.A. WEBB, F.S. HENDRICKS and D.E. HAMILTON, co-partners, having applied to the Railroad Commission for permission to execute a mortgage securing the payment of promissory notes in the aggregate amount of \$9,000.00, a public hearing having been held 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 is reasonably required by applicants;

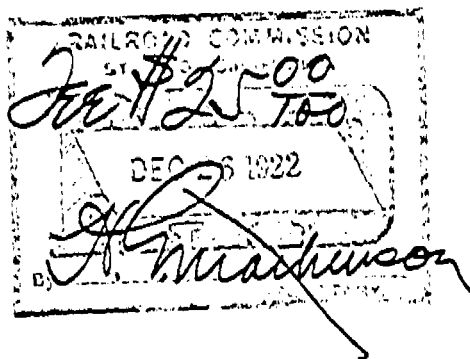
IT IS HEREBY ORDERED, that N.A. WEBB, F.S. HENDRICKS and D.E. HAMILTON, co-partners, be, and they are hereby, authorized to execute a mortgage substantially in the same form as that attached to the petition herein, to secure the payment of twelve equal notes of the aggregate face value of \$9,000.00, which notes they are hereby authorized to execute.

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 in so far as this Commission has jurisdiction under the Public Utilities Act and is not intended as an approval as to such other legal requirements to which said mortgage may be subject.

- (2) The notes herein authorized shall mature in equal monthly amounts of \$750.00, commencing one month after date, deferred payments to bear interest at not exceeding eight per cent per annum.
- (3) The mortgage and notes herein authorized shall be executed to renew, in part, the indebtedness now outstanding and referred to in the foregoing opinion.
- (4) The authority herein granted will not become effective until applicants have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.
- (5) Applicants shall advise the Commission of the execution of the notes and mortgage herein authorized within 50 days after such execution.
- (6) The authority herein granted shall apply only to such mortgage and notes as may be executed on or before February 28, 1923.

DATED at San Francisco, California, this 13th day of December, 1922.



H. B. Boudier
Dwight Martin
Carl H. Rowell

Commissioners.