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Decision No. 5465

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of)
PEOPLES AUTO BUS COMPANY,)
a corporation, for an order authori-)
zing the issue of stock.)

Application Number 3623.

J.M. Inman for applicant;
C.P. Cutten and L.T. Hatfield for Pacific Gas and
Electric Company.

BY THE COMMISSION.

O P I N I O N.

PEOPLES AUTO BUS COMPANY asks authority to issue, at not less than the par value thereof, \$8,000.00 of its common capital stock for the purpose of purchasing equipment.

A public hearing was held on this application before Examiner Encell at Sacramento.

Peoples Auto Bus Company was organized on or about January 22, 1918, with an authorized capital stock issue of \$15,000, divided into 15,000 shares of the par value of \$1.00 each. At the time of the organization of the company, E.A. Meister, Leo K. Lobner, R.A. Mallet, F.S. Mollett, A.R. Meister, J.A. Stuart and Frank K. Atkinson each subscribed for \$1,000.00 of the company's capital stock. The company was organized primarily to operate jitney busses within the city limits of Sacramento. Later, at the request of the Chamber of Commerce of Sacramento and the United States Government, the company concluded to operate large passenger busses between Sacramento and the United States Aviation Field

located at Mills Station 14 miles out of Sacramento. The company has applied to the City of Sacramento and to authorities of Sacramento County for the necessary permits to engage in this business. It contemplates to operate between Sacramento and the United States Aviation Field 4 - 20 passenger busses. The testimony in this proceeding shows that it has acquired 3 - 20 passenger busses at a cost of \$7,500.00 and that it is ready to use a 1 - 12 passenger bus heretofore operated within the city limits of Sacramento on the Sacramento - United States Aviation Field run. The cost of the 1 - 12 passenger bus is reported at \$1,355.00.

L.K. Lobner, president of Peoples Auto Bus Company, values applicant's assets at more than \$23,000.00. This includes the equipment to be used on the Sacramento - United States Aviation Field run and 10 cars used to take care of the company's business within the city limits of Sacramento.

On March 31, 1918, the company reported \$7,000.00 of notes payable and \$4,500.00 due the White Star Line. It appears that for the purpose of enabling the company to purchase the 3 - 20 passenger busses, the stockholders agreed to advance \$3,000.00 to the company. Applicant does not intend to issue any of its stock to other than the original subscribers. It proposes to use the proceeds from the issue of the stock to pay for the equipment to be used on the Sacramento - United States Aviation Field run.

O R D E R.

PEOPLES AUTO BUS COMPANY having applied to the Railroad Commission for authority to issue \$8,000.00 of stock, a public hearing having been held and it appearing to the Railroad Commission that the money, property or labor to be procured or

paid for by the issue of said stock is reasonably required for the purpose or purposes specified in the order and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that PEOPLES AUTO BUS COMPANY be, and it is hereby, granted authority to sell, at not less than the par value thereof, \$8,000.00 of its common capital stock, upon the following conditions and not otherwise:

(1).-- The proceeds obtained from the sale of the stock shall be used by applicant to pay for the equipment purchased for the purpose of operating an auto stage transportation service between Sacramento and the United States Aviation Field at or near Mills Station.

(2).-- The authority herein granted shall not become effective until Peoples Auto Bus Company has obtained all necessary permits from public authorities and a certificate of public convenience and necessity from the Railroad Commission, as provided in Chapter 213, Laws of 1917.

(3).-- The Peoples Auto Bus Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds derived from the sale of the stock herein authorized, and on or before the twenty-fifth day of each month, until all of the stock has been issued and all of the proceeds expended, make a verified report to the Railroad Commission in accordance with the Commission's General Order Number 24, which order in so far as

applicable, is made a part of this order.

(4).-- The authority herein granted shall apply only to such stock as may be issued on or before October 1, 1918.

Dated at San Francisco, California, this 5th
day of June, 1918.

H. D. Loveland

Edwin O. Egan

Frazer Devlin

Commissioners.