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Decision No. 6534

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )	
PASADENA ELECTRIC EXPRESS COMPANY )	
for permit to issue stock and to )	Application No. <u>4725.</u>
execute note and mortgage. )	

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Hahn & Hahn, by Edward F. Hahn for applicant.

LOVELAND, Commissioner.

O P I N I O N

Pasadena Electric Express Company requests an order from the Railroad Commission permitting it to issue \$50,000.00 of common capital stock, to execute a mortgage, and to issue a \$9,500.00, 3-year 6 per cent note secured by said mortgage.

A public hearing upon the application was held July 25, 1919, at Los Angeles.

Pasadena Electric Express Company was incorporated with a capital stock of 750 shares of common stock of a par value of \$75,000. Applicant will engage in the business of transporting property over the Pacific Electric Railroad between Pasadena and Los Angeles. It intends to acquire the properties of Pasadena Electric Express which has been engaged for some time in the express business between Pasadena and Los Angeles. In its petition applicant reports that it is impossible to state the original cost of the property as a record was not

kept. However, in Exhibit "B", attached to the petition herein, applicant reports the appraised value of the property to be \$68,701.05. The real property, constituting the terminal stations at Los Angeles and Pasadena, is now encumbered with a mortgage lien of \$19,500.00, which applicant agrees to assume and pay.

To acquire this property applicant asks permission to issue \$37,500.00 of stock. It also asks permission to issue and sell at not less than 80, \$12,500.00 of its stock, the proceeds to be used in paying off \$10,000.00 of the mortgage indebtedness hereinabove referred to. To pay off the balance of this indebtedness, applicant reports that it has arranged to borrow \$9,500.00 from the Union Trust and Savings Bank of Pasadena. To borrow this money, applicant requests permission to execute to the Union Trust and Savings Bank, its 3-year, 6 per cent note for \$9,500.00 and to secure said note by a first mortgage lien on the Los Angeles terminal property.

I herewith submit the following form of Order:-

#### O R D E R

PASADENA ELECTRIC EXPRESS COMPANY having applied to the Railroad Commission for authority to issue stock and to execute a note and mortgage, a public hearing having been held, and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in the Order, and that such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Pasadena Electric Express Company be, and it is hereby, granted authority to issue \$50,000.00 of its capital stock for the following purposes:-

- 1.-\$37,500.00 of stock to be issued at par in payment for the properties of Pasadena Electric Express.

2.-\$12,500.00 of stock to be issued at not less than 80 per cent of its par value, the proceeds to be used to pay in part the mortgage indebtedness on the property acquired from Pasadena Electric Express.

IT IS HEREBY FURTHER ORDERED that Pasadena Electric Express Company be, and it is hereby, authorized to issue to Union Trust and Savings Bank of Pasadena, a 3-year 6 per cent note for \$9,500.00 and to execute a real estate mortgage to said Union Trust and Savings Bank, securing the payment of said note.

The authority herein granted to issue stock and to execute a note and mortgage is upon the following conditions and not otherwise:-

1.-The \$9,500.00 borrowed from the Union Trust and Savings Bank of Pasadena shall be used to pay off the balance of the mortgage indebtedness to which reference is hereinabove made.

2.-Pasadena Electric Express Company shall within sixty days after the date hereof, file with the Railroad Commission, a certified copy of the note and mortgage herein authorized to be executed.

3.-Pasadena Electric Express Company shall keep such record of the issue of the stock herein authorized to be issued as will enable it to file on or before the twenty-fifth day of each month, a verified report as required by the Commission's General Order No. 24, which order, in so far as applicable, is made a part of this Order.

4.-The authority herein granted shall not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

5.-The authority herein granted shall apply only to such stock and notes as may be issued on or before December 31, 1919.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 30<sup>th</sup> day of July, 1919.

Edwin O. Edgerton  
H. S. Leonard  
Frank R. Deley  
Iving Martin

Commissioners.