

Decision No. 7166

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the matter of the application)
of LOS ANGELES & SANTA BARBARA)
MOTOR EXPRESS COMPANY, a corpora-) Application No. 5325.
tion, for authority to issue stock.)

W. Cloyd Snyder, for applicant.

BRUNDIGE, Commissioner.

O P I N I O N .

LOS ANGELES & SANTA BARBARA MOTOR EXPRESS COMPANY asks authority to issue, and sell at par, \$25,000. of its common capital stock.

In Decision No. 7133, dated February 13, 1920, the Railroad Commission granted C.T.Mayo, E.D.Stuart, J. S. Hunter and W.P.Wilson, co-partners doing business under the fictitious name of "Los Angeles & Santa Barbara Motor Express" to sell and transfer to Los Angeles & Santa Barbara Motor Express Company, rights and privileges to operate an auto freight and express line between Santa Barbara and Los Angeles.

The record shows that applicant will require about \$14,000. to purchase necessary automobile equipment, stationery and office supplies, pay organization expenses and provide itself with some working capital.

The partnership referred to above, according to the testimony, is unable, with its two trucks now in operation, to handle the business offered.

Of the \$14,000. about \$12,070. will be used by applicant to purchase automobile equipment, and the remainder to acquire office furniture, stationery and supplies, pay organization expenses and provide applicant with some working capital.

Applicant has made arrangements to purchase a two and a half ton Mack, and a three and a half ton Mack, truck, subject to the terms of conditional sale agreements, copies of which are attached to the petition herein. The total cost of the two trucks is reported at \$9,465.45, of which \$2,600. must be paid in cash, and the remainder in monthly installments of \$400. each, the first installment payment being due March 24, 1920. Inasmuch as the installment payments extend over a period of one year, the execution of the conditional sale agreement must be authorized by the Railroad Commission.

The order herein will permit applicant to sell the \$25,000. of stock applied for, subject to the condition that at least \$11,000. of the proceeds be not expended except for such purposes as the Railroad Commission may hereafter authorize by supplemental order or orders in this proceeding.

I herewith submit the following form of order:

O R D E R.

Los Angeles & Santa Barbara Motor Express Company, having applied to the Railroad Commission, to issue \$25,000. of stock, a public hearing having been held, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of \$14,000. of said stock, is reasonably required by applicant, and that the proceeds from the remaining \$11,000. of said stock should be expended only for such purposes as the Railroad Commission may hereafter authorize:

IT IS HEREBY ORDERED, that Los Angeles & Santa Barbara Motor Express Company be, and it is hereby, granted authority to issue \$25,000. of its common capital stock, and execute conditional sale agreements substantially in the same form as the agreements attached to the petition herein, such agreements constituting evidences of indebtedness aggregating \$6,465.45.

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

1. The stock herein authorized to be issued shall be sold by applicant for cash at not less than \$100. per share net to the company.

2. Of the proceeds, approximately \$14,000. may be used to acquire three auto freight trucks; one pick-up and delivery truck, and two automobiles to solicit business, all of which are referred to in the testimony herein; to pay organization expenses; to purchase necessary office furniture and supplies, and to provide applicant with some working capital, as more particularly set forth in Exhibit C attached to the petition herein.

3. The remainder of the proceeds obtained from the sale of the stock, approximately \$11,000. shall be held in a special fund and expended only for such purposes as the Railroad Commission may authorize in supplementary order or orders in this proceeding.

4. The approval herein given of said conditional sale agreements is for the purpose of this proceeding only and an approval in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said conditional sale agreements as to such other legal requirements to which said conditional

sale agreements may be subject.

5. Los Angeles & Santa Barbara Motor Express Company shall keep such record of the issue of all stock and evidences of indebtedness 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 in so far as applicable, is made a part of this order.

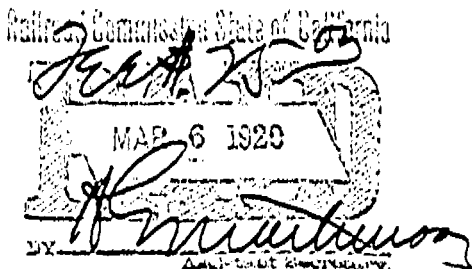
6. The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

7. The authority herein granted will apply only to such stock as may be issued and to such conditional sale agreements as may be executed on or before November 15, 1920.

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 27th day of February, 1920.

Edwin O. Egan



Frank R. Denny
H. K. Brundage

Commissioners