

HS

Decision No. 9437.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
PASADENA ELECTRIC EXPRESS COMPANY)
for permission to sell real estate,)
retire capital stock and borrow)
money.)

Application No. 7074.

W.H. Archdeacon for applicant.

BY THE COMMISSION:

O P I N I O N

PASADENA ELECTRIC EXPRESS COMPANY asks permission to issue a 3-year 6 per cent note for \$11,500.00, mortgage and sell certain properties and to retire \$25,000.00 of common capital stock.

A hearing was had on this application before Examiner Williams at Los Angeles on August 24th.

Pasadena Electric Express Company was organized in 1919. By Decision No. 6534, dated July 30, 1919, the Commission authorized applicant to issue \$50,000.00 of stock and also a \$9,500.00 6 per cent. 3-year note secured by mortgage on real estate located in the City of Los Angeles. All of the stock, as well as the note, were subsequently issued by applicant. Of the outstanding stock, \$30,000.00 is reported to be owned by Fred J. Weaver, \$7,500.00 by F.S. Imes and \$12,500.00 by W.H. Archdeacon. The testimony shows that F.S. Imes and W.H. Archdeacon have agreed to acquire \$5,000.00 of stock from Fred J. Weaver and that they have given their consent to the corporation acquiring the remainder of the Fred J. Weaver stock, to-wit - \$25,000.00, at a cost of \$22,562.00. The company

intends to secure \$20,562.00 of the necessary moneys to acquire the stock from the sale of certain operative and non-operative real estate and \$2,000.00 through the issue of a note. This Commission is not interested in the purchase of the stock by the company except to the extent that such purchase may involve the distribution of part of the assets of applicant and thus probably affect its service.

W.E. Archdeacon, applicant's general manager, testified that the company is not now using all of its real property located in Pasadena in its operations. He is of the opinion that it is advantageous for the company to sell the real property located in Pasadena and more particularly described in this application for the price of \$20,562.00 and lease such portion of the property as it actually needs in the operation of its business. The property which it requires can be leased for \$102.50 per month. A copy of the lease is filed in this proceeding. At the present time applicant is paying Fred J. Weaver, who is its principal stockholder, a salary of \$250.00 per month. If this transaction is consummated, Fred J. Weaver will no longer be employed by the company and it is believed by applicant's general manager that the company can save at least \$125.00 per month through this transaction. Applicant and its predecessor for some years past have been operating over the lines of the Pacific Electric and have gradually substituted motor vehicles for horse-drawn vehicles. On account of the change in the character of the equipment, applicant finds it unnecessary to retain all of its real estate.

O R D E R.

PASADENA ELECTRIC EXPRESS COMPANY having applied to the Railroad Commission for permission to issue a note, sell or mortgage certain real estate and to retire capital stock, a public hearing having been held and the Commission being of the opinion that appli-

cant may retire part of its capital stock without an order from this Commission and that the money, property or labor to be procured through the issue of the note herein authorized is reasonably required by applicant and that the expenditures herein permitted 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, authorized to issue a 3-year 6 per cent note for the principal sum of \$11,500.00 and to execute a mortgage substantially in the same form as the mortgage filed in this proceeding to secure the payment of the note.

IT IS HEREBY FURTHER ORDERED, that PASADENA ELECTRIC EXPRESS COMPANY be, and it is hereby, authorized to sell for the sum of \$20,562.00 the following described property:-

"Lot Eighteen (18) of Park Bluff, in the City of Los Angeles (Garvanza), County of Los Angeles, State of California, as per Map recorded in Book 66, page 34, Misc. Records of said County.

"The North Ninety-five and six-tenths (95.6) feet of Lot Two (2), all of Lot Three (3) and the South two (2) feet of Lot Four (4) of the Julia E. Ward Homestead Tract, in the City of Pasadena, County of Los Angeles, State of California, as per Map recorded in Book 7, page 54, Misc. Records of said County."

The authority herein granted is subject to the following conditions:

- 1.--The sum of \$9,500.00 obtained through the issue of a note herein authorized shall be used by applicant to refund the \$9,500.00 indebtedness incurred pursuant to the authority granted in the order in Decision No. 6534, dated July 30, 1919. The remaining \$2,000.00 obtained through the issue of the note, together with the proceeds realized from the sale of the property herein authorized, shall be used by applicant to retire

\$25,000.00 of capital stock referred to in this application.

- 2.--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 terms of the Public Utilities Act, and is not intended as an approval of said mortgage as to such other legal requirements to which such mortgage may be subject.
- 3.--Pasadena Electric Express Company shall keep such record of the issue and sale of the note 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.
- 4.--The authority herein granted will not become effective until applicant has paid the ^{minimum} fee prescribed by the Public Utilities Act, which fee amounts to \$25.00.
- 5.--The authority herein granted will apply only to such note as may be issued on or before November 15, 1921.

DATED at San Francisco, California, this 30th day of August, 1921.

Fee \$ 25.00
G. M. Macken

H. P. ...
H. D. ...
J. W. ...
J. P. ...
Commissioners.