

IBM
Decision No. 29468

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
HUMBOLDT MOTOR STAGES, INC.,
for Order authorizing issue and execu-
tion of promissory note and chattel
mortgage. } Application No. 20955

H. C. Nelson, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

Humboldt Motor Stages, Inc. has applied to the Railroad Commission for an order authorizing it to execute a chattel mortgage on fourteen units of its automotive equipment and to issue a promissory note in the principal amount of \$2,450.00, payable on demand, and if no demand is made, then on January 24, 1938, with interest at the rate of seven percent. per annum, payable monthly, for the purpose of obtaining funds to pay license fees and taxes in the amount of \$823.20 and to finance the cost of two new International combination cars.

Applicant is engaged in the business of transporting passengers and express by auto stages in Humboldt County and Trinity County. It appears that it was organized on or about June 3, 1933 and that shortly thereafter, pursuant to authority granted by the Commission by Decision No. 26338, dated September 18, 1933, it acquired from B. P. McConnaha operating rights and properties, including twelve units of auto stage equipment, and issued in payment \$7,500.00 par value of its common capital stock. It has reported the gross revenues from the operation of its business at \$32,165.08 for 1933, at \$42,055.34 for 1934 and at \$48,905.27 for 1935, and its

net income, before allowances for depreciation, at \$2,967.40 for 1933, at \$289.15 for 1934 and at \$4,246.93 for 1935.

At the close of 1935 the company reported nineteen auto stages and trucks in service. It has issued no stock, since the initial \$7,500.00 issue, and apparently has financed the cost of its additional equipment with money borrowed on short terms and with money represented by its reserve for depreciation. By Decision No. 28533, dated January 27, 1936, it was authorized to execute a chattel mortgage and to issue a one-year note for \$2,500.00 to pay fees and taxes of \$1,100.00 and to provide the cost of new equipment. This note, we are advised, has been paid.

The Commission has considered the company's request to execute a new chattel mortgage and note and is of the opinion that this is not a matter in which a public hearing is necessary, that the request should be granted, as herein provided, and that the money, property or labor to be procured or paid for is reasonably required by the company for the purposes specified herein, therefore,

IT IS HEREBY ORDERED that Humboldt Motor Stages, Inc. be, and it hereby is, authorized to execute a chattel mortgage in or substantially in the same form as that filed with this application as Exhibit "C" and to issue a note in the principal amount of \$2,450.00 payable on demand, and if no demand is made, then on January 24, 1938, with interest at a rate of not to exceed seven percent. per annum, for the purpose of obtaining funds to pay license fees and taxes of approximately \$823.20 and to finance in part the cost of two new International combination cars, provided,

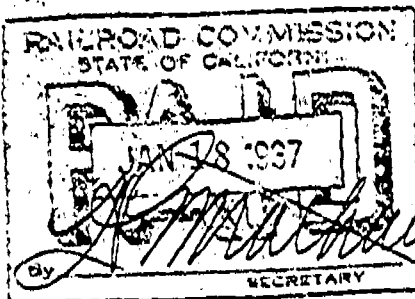
1. That the authority herein granted to execute a chattel mortgage is for the purpose of this proceeding only, and is given only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said

chattel mortgage as to such other legal requirements to which it may be subject, and

2. That applicant shall file with the Commission within thirty (30) days after execution of the chattel mortgage and note, a copy of each of such instruments as actually issued and a statement showing the purposes for which the proceeds realized through the issue of the note were used; and
3. That the authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five(\$25.00) Dollars.

DATED at San Francisco, California, this 11th day of January, 1937.

Walter Mason
Lion O'Neil
Ray & Riley
Commissioners.



Fee #33090
\$25.00