

Decision No. 30442

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MT. LASSEN TRANSIT COMPANY)
for an order of the Commission author-)
izing the issuance of promissory notes) Application No. 21657
not to exceed 12,000 dollars.)

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

This is an application by Mt. Lassen Transit Company, a corporation, for an order authorizing it to issue not exceeding \$12,000. of ten year 5% notes for the purpose of reimbursing its treasury, because of surplus earnings invested in its properties.

Mt. Lassen Transit Company is engaged in the public utility business of transporting passengers, baggage and express by automobile stages generally between Red Bluff, Westwood, Susanville, Reno and other points and in the non-utility automobile, garage and accessory business in Westwood and Susanville.

The greater part of the company's business is of a non-utility nature. For the year 1936 it reports its utility revenues at \$29,206.24 and its non-utility revenues at \$493,101.50 and for the ten months ending October 31, 1937 its utility revenues at \$22,168.95 and its non-utility revenue at \$685,439.68. For the ten months period its net profit from all sources is reported at \$12,457.14.

It appears that the 1937 profit has been invested by the company in its properties and business. Because of such investment the company desires to issue not exceeding \$12,000. of notes to reimburse its treasury and thereafter to distribute such notes as a dividend to the holders of its outstanding \$96,982.00 of stock.

A copy of one of the proposed notes is attached to the application as Exhibit B. It appears on the face of the proposed note that each note is to be executed subject and subordinate to any general and current creditors of the corporation lending credit to it in the conduct of its business, subsequent to the date of the notes and prior to the due date thereof.

The Commission has considered the company's request and is of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the notes is reasonably required by applicant, therefore,

IT IS HEREBY ORDERED that Mt. Lassen Transit Company be, and it hereby is, authorized to issue on or before January 31, 1938, not exceeding \$12,000. of ten year 5% notes in the same form as the note attached to the application herein and marked "Exhibit B", for the purpose of reimbursing its treasury because of earnings during 1937 invested in properties and business, provided,

1. That within thirty(30) days after such issue applicant shall file a copy of the notes as actually issued and a statement showing the names of those to whom issued and the total face value issued to each, and

2. That the authority herein granted shall become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five(\$25.) Dollars.

DATED at San Francisco, California, this 27th day of December 1937.



Galbraith
Leon
W. L. Rice

Commissioners.