

Decision No. 30995

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
LOS ANGELES RAILWAY CORPORATION  
for an order pursuant to Section 52  
of the Public Utilities Act, author-  
izing the issuance of one or more  
installment notes aggregating the  
sum of \$423,025.99 for the acquisi-  
tion of property consisting of 35  
P.C.C. street cars. )

) Application No. 22002

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

In this proceeding the Los Angeles Railway Corporation asks permission to issue 5% installment notes in the face value of \$423,025.99 to pay in part for 35 President's Conference Type street cars. The cars will be substantially similar in character to the 60 President's Conference Type street cars heretofore ordered and now in operation upon applicant's lines of street railway.

Applicant proposes to purchase said 35 street cars on contracts with the General Electric Company and St. Louis Car Company under the terms of which title to said street cars and parts therein will be held by California Trust Company, Trustee, until payment has been fully made.

A copy of the trust agreement is filed in this proceeding as Exhibit B. To it is attached a copy of the agreement between applicant and the General Electric Company and a copy of the agreement between applicant and St. Louis Car Company.

Under the terms of the agreement applicant will be indebted to the General Electric Company in the sum of \$182,952.45, and to the St. Louis Car Company in the sum of \$305,654.52, or for a total of \$488,606.97. Of this sum \$65,580.98 will be paid in cash. To represent the balance due said companies, applicant will issue its 5% installment notes in the sum of \$423,025.99. It agrees to pay such

notes in installments of \$12,500.00 on the last day of each month, beginning on January 31, 1939. The indebtedness constitutes a lien on the 35 cars. Until the indebtedness is paid the trustee, as said, will hold the title to the cars. As further security for the payment of the indebtedness there will be transferred to the trustee 180 of applicant's Series A equipment trust certificates now owned by Huntington Land and Improvement Company.

The purchase of the additional cars should enable applicant to give better street car service, and retire certain street cars now in service.

The Commission has considered applicant's request to issue its notes for the sum of \$423,025.99 and execute an agreement to secure the payment of said notes and is of the opinion that this is not a matter in which a public hearing is necessary, that the money, property or labor to be procured or paid for by the issue of said notes is reasonably required by applicant for the purposes herein stated, that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses, or to income, and that this application should be granted, subject to the provisions of this opinion and order, therefore,

IT IS HEREBY ORDERED that the Los Angeles Railway Corporation be, and it is hereby, authorized to issue after the effective date hereof and prior to December 1, 1938, its promissory notes in the face amount of not exceeding \$423,025.99 to be payable in installments of \$12,500.00 each on the last day of each month commencing January 31, 1939, plus interest at the rate of 5% per annum computed on the unpaid balance of said notes.

IT IS HEREBY FURTHER ORDERED that Los Angeles Railway Corporation shall use the proceeds realized from the issue of said notes

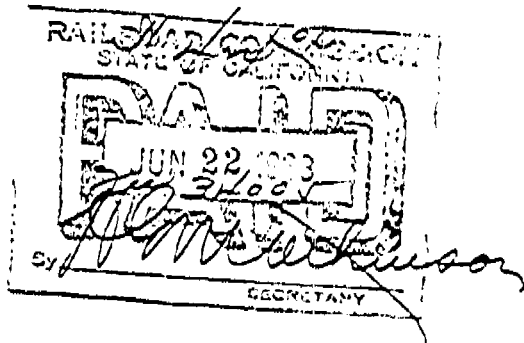
to pay in part the cost of the 35 President's Conference Type street cars referred to in this opinion and order.

IT IS HEREBY FURTHER ORDERED that Los Angeles Railway Corporation be, and it is hereby, authorized to execute an agreement, in terms as set forth in Exhibit B filed in this proceeding, provided that the authority herein granted to execute said agreement 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 agreement as to such other legal requirements to which it may be subject; and provided further, that the Commission is not by this opinion and order authorizing Los Angeles Railway Corporation to execute any additional documents for further assurance of the payment of said notes.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Four Hundred and Twenty-four (\$424.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the issue of said notes and the execution of said agreement, Los Angeles Railway Corporation shall file with the Railroad Commission a copy of said notes, a statement showing the purposes for which it used the proceeds of said notes and a copy of said agreement.

DATED at San Francisco, California, this 20<sup>th</sup> day of June, 1938.



*Walter M. ...*  
*James C. ...*  
*Robert D. ...*  
*Raymond ...*  
*W. S. ...*

Commissioners.