

Decision No. 33452

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC ELECTRIC RAILWAY COMPANY, a  
corporation, for authority to mortgage  
to the Security-First National Bank of  
Los Angeles, Trustee, the motor coach  
lines and certificates of public con-  
venience and necessity therefor, and  
any interest therein, now owned or here-  
after acquired by Pacific Electric  
Railway Company.

ORIGINAL

Application No. 23673

BY THE COMMISSION:

O P I N I O N

Pacific Electric Railway Company has filed an action in the Superior Court of the State of California, in and for the County of Los Angeles, numbered 446,125, entitled "Pacific Electric Railway Company, a corporation, Plaintiff, vs. Security-First National Bank of Los Angeles, a corporation, et al., Defendants," seeking relief from the provisions of certain mortgages or trust indentures affecting its transportation system or parts thereof, so as to permit the abandonment of certain lines of railroad or portions thereof. Said Court has entered a judgment in said proceeding and has ordered applicant to execute and deliver a trust indenture mortgaging to Security-First National Bank of Los Angeles, Trustee, all its title, rights, interests and property in and to its motor coach lines and interests therein, certificates of public convenience and necessity therefor and interests therein, and all motor coach equipment and interests therein described in Exhibit 46 in said Case 446,125, which is

Exhibit A attached to said trust indenture, and also all motor coach lines and interests therein, certificates of public convenience and necessity therefor and interests therein, and motor coach equipment and interests therein which the Pacific Electric Railway Company, its successors and assigns may hereafter acquire, excepting therefrom motor coach equipment specifically subjected to the refunding mortgage indenture of September 1, 1911, between Pacific Electric Railway Company and Chemical Bank & Trust Company, as Trustee, and specifically described in said Exhibit 46.

A copy of the trust indenture which Pacific Electric Railway Company desires to execute is filed in this proceeding as Exhibit A. The trust indenture contains a description of the certificates of public convenience and necessity and a list of the motor coach equipment/which are presently being mortgaged. It is to remain in effect until either, (a) all the property subject to its lien shall have been relinquished and released to one or more of the trustees under the mortgages securing the payment of bonds of the Pacific Electric Railway Company pursuant to the orders of the court in the abandonment proceedings, or (b) the indebtedness secured by said mortgages and all expenses of the trustee under the proposed indenture have been paid, whichever event shall occur sooner, but in no event later than September 1, 1961.

The execution of the proposed trust indenture will not create any new indebtedness. It places a lien on the properties mentioned therein and appoints a trustee for the benefit of the owners of bonds issued by applicant and its predecessor companies.

O R D E R

The Commission having considered the request of the Pacific Electric Railway Company for permission to execute a trust indenture similar in form to that filed in this proceeding as Exhibit A, and it being of the opinion that this is not a matter in which a public hearing is necessary, and that the execution of said trust indenture is in the public interest, therefore

IT IS HEREBY ORDERED that Pacific Electric Railway Company be, and it is hereby, authorized to execute on or before December 30, 1940, a trust indenture similar in form to the trust indenture filed in this proceeding as Exhibit A, provided that the authority herein granted to execute said trust indenture is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said trust indenture as to such other legal requirements to which said trust indenture may be subject.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of said trust indenture, Pacific Electric Railway Company shall file with the Commission two certified copies of said trust indenture.

Dated at San Francisco, California, this 3<sup>rd</sup> day of September, 1940.

Ray L. Carey  
Frank R. Smith  
Walter Babcock  
Justice J. Green  
Commissioners