

Decision No. 33796

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
GLENDALE CITY LINES, INC.

for an order authorizing applicant to issue its promissory note; to place a lien of chattel mortgage on certain of the applicant's properties to secure repayment of said note, and to use the proceeds of said note for the purposes specified herein.

ORIGINAL

Application No. 23897

BY THE COMMISSION:

OPINION AND ORDER

This is an application by Glendale City Lines, Inc. for an order authorizing it to execute a chattel mortgage and to issue a note for \$62,033.76 for the purpose of paying indebtedness incurred to pay part of the cost of new motor coaches to which reference is made herein.

It appears that Glendale City Lines, Inc. was organized for the purpose of acquiring local operating rights, business and properties, owned and operated by Pacific Electric Railway Company in the City of Glendale, and territory⁽¹⁾ con-

(1) As a part of its entire electric railway system, Pacific Electric Railway Company has operated local bus service in the City of Glendale, a portion of which service extends into the City of Burbank and into a very small portion of the City of Los Angeles.

tiguous thereto, and thereafter of continuing such operations as a common carrier of passengers by motor coaches. By Decision No. 33757, dated December 21, 1940, in Application No. 23775, applicant was granted a certificate of public convenience and necessity to perform such local passenger stage service, subject to the terms and conditions of the order in said decision, and was given permission to issue 710 shares of stock, at not less than \$100 a share, for the purpose of paying for the properties, including twenty-nine coaches, to be acquired from Pacific Electric Railway Company, and of paying organization expenses, and of providing working capital and the down payment on ten new additional motor coaches to be purchased to augment the fleet of coaches to be acquired from the railway company.

The company reports that it has purchased from Mack-International Motor Truck Corporation ten 29-passenger coaches for the total sum of \$68,926.40. It paid 10% of the purchase price through the sale of stock and the balance, \$62,033.76, by means of a temporary loan from Pacific City Lines, Inc., the holder of all its outstanding stock. It now proposes to issue to The Anglo California National Bank of San Francisco, a promissory note in the amount of \$62,033.76, repayable in thirty-six equal monthly installments, with interest at the rate of 3-1/2% per annum, and to use the proceeds to pay the \$62,033.76 due Pacific City Lines, Inc.

There is filed in this proceeding, as Exhibit "B," a copy of the proposed note and, as Exhibit "C," a copy of the proposed chattel mortgage to be executed to secure the payment of the note. The chattel mortgage will be a lien on the ten coaches. Both instruments appear to be in satisfactory form.

It is recited in the application that Pacific City Lines, Inc. will guarantee to The Anglo California National Bank of San Francisco, the payment of the note.

The Commission has considered applicant's request and is of the opinion that there is no need for a hearing on this application; that the requests of applicant should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purposes specified herein, and that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore

IT IS HEREBY ORDERED that Glendale City Lines, Inc. be, and it hereby is, authorized to execute a chattel mortgage in, or substantially in, the same form as that filed in this proceeding as Exhibit "C," and to issue a promissory note in the same form as that filed in this proceeding as Exhibit "B" in the principal amount of not exceeding \$62,033.76 for the purpose of obtaining funds to pay \$62,033.76 due Pacific City Lines, Inc. and of financing in part the cost of the ten new motor coaches referred to in this proceeding, 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;

2. That Glendale City Lines, Inc. shall file with the Commission, within thirty (30) days after execution and

delivery, a copy of the note and chattel mortgage executed under the authority herein granted; and

3. That the authority herein granted will become effective when Glendale City Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Sixty three (\$63.00) dollars.

Dated at San Francisco, California, this 19th day of January, 1941.

[Signature]
[Signature]
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Commissioners.

