

Decision No. 33983

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PASADENA 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. 23983

BY THE COMMISSION:

OPINION AND ORDER

This is an application by Pasadena City Lines, Inc. for an order authorizing it to execute a chattel mortgage and to issue a note for \$188,152.96 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 Pasadena 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 Pasadena, and territory contiguous thereto, and thereafter of continuing such operations as a common carrier of passengers by motor coaches. By Decision No. 33750, dated December 21, 1940, in Application No. 23776, applicant was granted a certificate of public con-

venience 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 1,638 shares of stock, at not less than \$100 a share, for the purpose of paying for the properties, including thirty-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 twenty-four new additional motor coaches to be purchased to augment the fleet of coaches to be acquired from the railway company.

Applicant reports that it has acquired at a cost of \$209,058.84, twenty-four Yellow Coaches, five Mack Coaches, and twenty-nine Johnson Electric Fare Boxes. To pay for said coaches and fare boxes, applicant proposes to borrow \$188,152.96 from The Anglo California National Bank of San Francisco, payable in thirty-six equal, consecutive, monthly installments, plus interest at the rate of 3-1/2% per annum. Applicant asks permission to issue its note to said bank for said sum of \$188,152.96 and secure the payment of the note by the execution of a chattel mortgage (Exhibit "C") to secure the payment of the note. The mortgage will be a lien on the twenty-nine coaches and the twenty-nine fare boxes.

In addition, the payment of the note will be guaranteed by Pacific City Lines, Inc.

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 Pasadena 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 \$188,152.96 and use said \$188,152.96 to pay indebtedness incurred to acquire the aforesaid coaches and fare boxes, 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 Pasadena 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 Pasadena City Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred Eighty Nine (\$189.00) Dollars.

Dated at Los Angeles, California, this 18th day
of February, 1941.

[Signature]
[Signature]
Ray L. Rice
Justin J. Casper
Francis K. Havenner
Commissioners.

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RAILROAD COMMISSION
STATE OF CALIFORNIA
PAID
FEB 26 1941
By [Signature]
SECRETARY