

Decision No. 34461

ORIGINAL

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 payment of said note, and to use the proceeds of said note for the purposes specified therein.

Application No. 24361

BY THE COMMISSION:

O P I N I O N

Pasadena City Lines, Inc., hereinafter some times referred to as applicant, asks permission to issue to The Anglo California National Bank of San Francisco its promissory note for the sum of \$149,187.61, payable in thirty-six equal consecutive monthly installments, plus interest at the rate of 3½% per annum, payable monthly. It further asks permission to secure the payment of such note by the execution of a chattel mortgage on the fifteen motor coaches to which reference is made hereafter.

A copy of applicant's proposed note and a copy of its proposed chattel mortgage are filed in this proceeding as Exhibit B and Exhibit C, respectively.

Applicant has purchased from the Yellow Truck & Coach Manufacturing Company at an aggregate cost of \$165,821.52, fifteen new 1941 Yellow TD3602, 36-passenger transit type diesel motor coaches. It is acquiring these coaches to replace fifteen smaller type coaches now used by it in its service in Pasadena and vicinity. Thirteen of the coaches which are being replaced will be sold by applicant to affiliated companies.

Applicant will pay the purchase price of the coaches in cash. In order to be in a position to do so, it has made arrangements to borrow \$149,187.61 from The Anglo California National Bank of San Francisco. The payment of this loan will be guaranteed by the Pacific City Lines, Inc., which owns all of applicant's outstanding capital stock. Payment will be further secured by the execution of a chattel mortgage which will be a lien on the fifteen new motor coaches.

O R D E R

The Commission having considered applicant's request and it being of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured or paid for through the issue of the note herein authorized 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 as herein provided, 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 for the principal amount of \$149,187.61 in, or substantially in, the same form as that filed in this proceeding as Exhibit B, provided, 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, and provided further, that the proceeds realized through the issue of said note, together with other funds of applicant, be used by applicant to pay the cost of said fifteen motor coaches.

IT IS HEREBY FURTHER ORDERED 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 and Fifty (\$150.00) Dollars.

IT IS HEREBY FURTHER ORDERED that Pasadena City Lines, Inc. shall file with the Railroad Commission within thirty (30) days after their execution and delivery, a copy of the note and a copy of the chattel mortgage executed and delivered under the authority herein granted.

Dated at Los Angeles, California, this 5th day
of August, 1941.

W. Kelly
Ray & Kelly
Justin F. Cameron
Frank T. Havens
Richard K. ...
Commissioners

\$ 150⁰⁰
RAILROAD COMMISSION
STATE OF CALIFORNIA
PAID
AUG 11 1941
By [Signature]
SECRETARY