

Decision No. 33464

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
LOS ANGELES RAILWAY CORPORATION

for an order pursuant to Section 52 of the Public Utilities Act, authorizing (1) the execution of two conditional sales contracts aggregating the sum of \$149,777.76 for the acquisition of property consisting of sixteen (16) motor coaches and (2) the purchase of certain property subject to a mortgage or deed of trust in the present amount of \$37,500.00

Application
No. 24357

BY THE COMMISSION:

O P I N I O N

Los Angeles Railway Corporation has agreed to purchase from the Asbury Rapid Transit System (1) 16 Mack 41-passenger gas-electric motor coaches complete with all regular and special equipment, except tires, for the sum of \$149,777.76; (2) 17 Johnson Fare Boxes for the sum of \$2,899.86; and (3) its equity of \$27,957.70 in the real property and improvements thereon located at 945 South Hill Street, Los Angeles, and assume the payment of an unpaid balance of \$37,500 due on the purchase price of said property.

The 16 Mack motor coaches are in the process of being purchased by the Asbury Rapid Transit System under con-

ditional sales contracts with Mack International Motor Truck Corporation. As of July 10, 1941, there was a balance of \$149,777.76 due under such contracts. The balance due on the contracts is the purchase price to applicant of said coaches. Payment of said balance by applicant will be handled as follows:

1. Applicant will purchase from the Mack International Motor Truck Corporation eleven (11) of said coaches for the sum of \$102,972.21, payable in sixty (60) equal monthly payments with interest at four per cent (4%) per annum on the unpaid balance and said sale will be evidenced by a conditional sales contract.
2. Applicant will purchase from the Mack International Motor Truck Corporation five (5) of said coaches for the sum of \$46,805.55, payable in sixty (60) equal monthly payments with interest at four per cent (4%) per annum on the unpaid balance and said sale will be evidenced by a conditional sales contract.

Immediately upon the execution of said two conditional sales contracts, the Bank of America National Trust and Savings Association will purchase Mack International Motor Truck Corporation's interest in Contract No. 1, and Union National Bank of Pasadena will purchase Mack International Motor Truck Corporation's interest in Contract No. 2.

A copy of the proposed conditional sales contracts which applicant desires permission to execute is filed in this proceeding as Exhibit "B."

Applicant will pay cash for the 17 Johnson Fare Meters and for the Asbury Rapid Transit System's equity of \$27,957.70 in the real property and improvements thereon located at 945 South Hill Street, Los Angeles.

The Commission by Decision No. 32436, dated October 10, 1939, in Application No. 23026, authorized Asbury Rapid

Transit System to issue its note for \$45,000 in part payment for the properties which it now proposes to transfer to the Los Angeles Railway Corporation. By said decision the Commission also authorized Asbury Rapid Transit System to execute a deed of trust to secure the payment of said note. The note is payable in monthly installments of \$375 per month, with interest at the rate of 6% per annum on the unpaid balance. There now remains unpaid \$37,500 of the principal of the note. Applicant asks permission to assume the payment of the \$37,500 and the accruing interest.

It is of record that applicant needs the 16 motor coaches to supplement its equipment now being used on its various motor coach lines. Applicant may use the real property it is acquiring from Asbury Rapid Transit System for off-street terminal purposes.

O R D E R

Los Angeles Railway Corporation having asked permission to execute conditional sales contracts for the aggregate sum of \$149,777.76 for the purpose of acquiring the motor coach equipment to which reference is made in the foregoing opinion and to assume the payment of indebtedness in the amount of \$37,500, 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 by the execution of the conditional sales contracts authorized herein is reasonably required by applicant for the purposes herein stated, that the expenditures for said 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 order, therefore,

IT IS HEREBY ORDERED that Los Angeles Railway Corporation be, and it is hereby, authorized to execute, after the effective date hereof and on or before October 1, 1941, conditional sales contracts for the aggregate sum of not exceeding \$149,777.76, for the purpose of acquiring the motor coach equipment to which reference is made in the foregoing opinion, said conditional sales contracts to be in, or substantially in, the same form as the conditional sales contract filed in this proceeding as Exhibit "B."

IT IS HEREBY FURTHER ORDERED that Los Angeles Railway Corporation be, and it is hereby, authorized to assume the payment of the unpaid balance of \$37,500 due upon the purchase of the real property to which reference is made in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Los Angeles Railway Corporation 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 within thirty (30) days after the execution of the conditional sales contracts authorized herein, Los Angeles Railway Corporation shall file with the Railroad Commission a certified copy of each of said conditional sales contracts.

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

W. L. ...
Ray & Riley
Justus J. Casner
Francis B. Havenner
Richard ...
Commissioners.

