

ORIGINAL

Decision No. 34697

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

PASADENA CITY LINES, INC.
a corporation

for permission to sell and assign
certain motor coaches to Stockton
City Lines, Inc., and of

STOCKTON CITY LINES, INC.
a corporation (formerly
Stockton Electric Railroad
Company)

Application No. 24513

in order to complete payment of the
purchase price of said motor coaches,
for an Order authorizing this appli-
cant to issue its promissory note;
to place a lien of chattel mortgage
on said motor coaches to secure re-
payment of said note.

BY THE COMMISSION:

O P I N I O N

In this proceeding, Pasadena City Lines, Inc. asks permission to sell to Stockton City Lines, Inc. (formerly Stockton Electric Railroad Company) for a total consideration of \$66,342.98, thirteen 1940 Yellow TG 2701 transit type motor coaches. Stockton City Lines, Inc. asks permission to issue to The Anglo California National Bank of San Francisco its note for \$53,200, payable in twenty-nine equal consecutive

monthly installments, plus interest at the rate of $3\frac{1}{2}\%$ per annum, payable monthly, and to place a lien of chattel mortgage on said thirteen motor coaches to secure the payment of the note.

All of the outstanding stock of Pasadena City Lines, Inc. and all of the outstanding stock of Stockton City Lines, Inc. is owned by Pacific City Lines, Inc.

By Decision No. 34573, dated September 10, 1941, in Application No. 24380, the Commission authorized Stockton City Lines, Inc. to discontinue all of its street car service in the City of Stockton and surrounding territory. By the same decision it granted Stockton City Lines, Inc., a certificate of public convenience and necessity to operate an automotive passenger stage service over the routes mentioned in said decision.

It is of record that Pasadena City Lines, Inc. acquired the thirteen motor coaches in 1940 at a cost of \$71,563.95. Pasadena City Lines, Inc. has no further use for the thirteen motor coaches because it replaced the same with new 1941 Yellow TD 3602 36-passenger transit type motor coaches. It has agreed to sell the same to Stockton City Lines, Inc. for a total consideration of \$66,342.98. In order to be in a position to pay the purchase price, it is necessary for Stockton City Lines, Inc. to borrow \$53,200. This amount will be borrowed from The Anglo California National Bank of San Francisco, and will be represented by a note payable in twenty-nine equal consecutive monthly installments, plus interest at the rate of $3\frac{1}{2}\%$ per annum, payable monthly. The payment of the note will be secured by the execution of a chattel mortgage which will be a lien on

the thirteen motor coaches. A copy of the proposed note and a copy of the proposed chattel mortgage are filed in this proceeding as Exhibit "C" and Exhibit "D," respectively.

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

O R D E R

The Commission having considered applicants' requests 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 Stockton City Lines, Inc. through the issue of a \$53,200 note is reasonably required for the purpose herein stated; that the expenditures for said purpose 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 as follows:

1. Pasadena City Lines, Inc. may, after the effective date hereof, and prior to December 31, 1941, sell to Stockton City Lines, Inc. for the sum of \$66,342.98, the thirteen motor coaches described in Exhibit "A" filed in this proceeding.
2. Stockton City Lines, Inc. may, after the effective date hereof, and prior to December 31, 1941, issue to The Anglo California National Bank of San Francisco, its note in the principal sum of \$53,200, payable in twenty-nine equal consecutive monthly installments, plus interest at the rate of 3½%

per annum, payable monthly, said note to be in, or substantially in, the same form as the note filed in this proceeding as Exhibit "C."

3. Stockton City Lines, Inc. may, after the effective date hereof, and on or before December 31, 1941, execute a chattel mortgage in, or substantially in, the same form as the chattel mortgage filed in this proceeding as Exhibit "D," provided that the authority herein granted to execute a chattel mortgage is for the purpose of this proceeding only, and is granted 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 said chattel mortgage may be subject.

4. The proceeds realized by Stockton City Lines, Inc. through the issue of said note and through the execution of said chattel mortgage shall be used by it to pay, in part, the purchase price of said thirteen Yellow motor coaches.

5. The authority herein granted will become effective when Stockton City Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Fifty four (\$54.00) Dollars.

6. Within thirty (30) days after the issue of said note and the execution of said chattel mortgage, Stockton City Lines, Inc. shall file with the Railroad Commission a true and correct copy of the note issued and a true and correct copy of the chattel mortgage executed under the authority herein granted, together with a statement showing the purpose for which it expended the moncoys realized through the issue of said note and

the execution of said chattel mortgage.

Dated at Los Angeles, California, this 28th day of
October, 1941.

[Signature]
[Signature]
Justin J. Casner
Francis C. Hagener
[Signature]
Commissioners.

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RAILROAD COMMISSION
STATE OF CALIFORNIA
PAID
OCT 31 1941
By [Signature]
SECRETARY