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Decision No. 34770

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

..... :
In the Matter of the Application :
of :
LANDIER TRANSIT CO. INC. a :
Corporation, for an order approving :
the execution of conditional sales :
contracts for the purchase of :
equipment and for authority to bor- :
row money and execute notes and a :
trust deed on real property as :
security. :
..... :

ORIGINAL

Application No. 24544

B. Russell Priess, for Applicant

BY THE COMMISSION:

O P I N I O N

Landier Transit Co. Inc. asks permission to execute conditional sales contracts and issue notes of the aggregate face value of \$35,117.82 for the purpose of acquiring equipment and paying indebtedness.

Applicant is engaged in the business of operating common carrier bus lines and in the operation of school buses in the County of Los Angeles.

As of June 30, 1941 applicant reports its assets and liabilities as follows:

<u>ASSETS</u>	
Plant and Equipment	\$207,611.08
Cash	1,030.52
Accounts Receivable	9,814.91
Prepayments	4,739.98
Other Debit Accounts	<u>10,683.71</u>
Total Assets	<u>\$233,880.20</u>

LIABILITIES

Capital Stock	\$ 34,000.00
Notes and contracts payable	120,000.99
Accounts Payable	6,442.95
Interest Accrued	503.37
Accrued liabilities	3,100.54
Other Credit Accounts	1,911.35
Reserve for Accrued Depre- ciation	53,386.25
Surplus	<u>14,534.77</u>
Total Liabilities	<u>\$233,880.20</u>

For 1940 applicant reports operating revenues of \$117,710.32 and net income of \$10,503.91. In arriving at this net income it included in its operating expenses \$29,881.99 for depreciation accruals on plant and equipment.

Applicant has ordered four buses from General Motors Truck and Coach Company, a division of the Yellow Truck and Coach Manufacturing Company. The buses are G.M.C., six cylinder model A.C.S. 356, 28-passenger Wayne body. The total cost of the four buses, including all equipment, sales tax, delivery charges, and interest is \$11,617.82. This amount is payable at the rate of \$300.00 per month, including principal and interest, for 23 months and \$4,717.82 during the 24th month. To acquire the buses the company will execute two conditional sales contracts similar in form to the contracts filed in this proceeding as Exhibits C and D, each contract being for \$5,808.91.

Applicant further asks permission to issue to the Fishermens and Merchants Bank of San Pedro its 6% note for \$4,000.00. The principal and interest are payable at the rate of \$100.00 per month. Payment of the note will be secured by a deed of trust to the Title Guarantee & Trust Company, which deed of trust will be a lien on lots 1, 2, 3, 4, 5 and 6 of

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Stark's Palm Tract as recorded in Book 8, Page 98 of Maps in the office of the County Recorder of Los Angeles County. This property is owned by applicant and used by it for shops and yard purposes. A copy of the proposed note to the Fishermen and Merchants Bank of San Pedro is filed in this proceeding as Exhibit E and a copy of the proposed deed of trust as Exhibit F.

Applicant further asks permission to issue to the Century Oil Company its note for the sum of \$19,500, payable at the rate of \$975.00 per month, beginning November 20, 1941, and a like payment thereafter on the 20th day of each and every month except the months of August and September in each of the years 1942 and 1943. A copy of the proposed note to the Century Oil Company is filed in this proceeding as Exhibit G.

The moneys which applicant will realize through the issue of the two notes will be used by it to pay a \$13,000.00 note now held by the Century Oil Company, to pay approximately \$7,500.00 due on conditional sales contracts on equipment held by The Anglo California National Bank of San Francisco, and to pay a loan of \$1,300.00 from F. P. Landier.

O R D E R

A public hearing having been held on the above numbered application before Examiner Fankhauser, the Commission having considered the evidence submitted at such hearing and it being of the opinion that the money, property or labor to be procured or paid for by the execution of the conditional sales contracts and the issue of the notes herein authorized

is reasonably required by applicant for the purposes herein stated, and 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 as follows:

1. Landier Transit Co. Inc. may, after the effective date hereof and on or before December 31, 1941, execute two conditional sales contracts similar in form to the conditional sales contracts filed in this proceeding as Exhibits C and D, each of said contracts to be for the principal amount of \$5,808.91, and to be executed for the purpose of acquiring the four buses to which reference is made in the foregoing opinion.

2. Landier Transit Co. Inc. may, after the effective date hereof and prior to December 31, 1941, issue to the Fishermens and Merchants Bank of San Pedro its note for the sum of \$4,000.00, said note to be substantially in the same form as the note filed in this proceeding as Exhibit E, and may secure the payment of said note by the execution of a deed of trust in substantially the same form as the deed of trust filed in this proceeding as Exhibit F, said deed of trust to be a lien on the property described in the foregoing opinion.

3. Landier Transit Co. Inc. may, after the effective date hereof and prior to December 31, 1941, issue to the Century Oil Company its note for the sum of \$19,500, said note to be in the same form as the note filed in this proceeding as Exhibit G.

4. Landier Transit Co. Inc. shall use the proceeds realized through the issue of said two notes to pay a \$13,000

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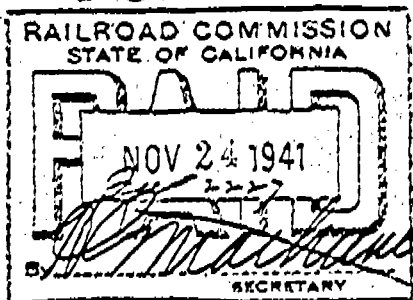
indebtedness due the Century Oil Company, to pay approximately \$7,500 due The Anglo California National Bank of San Francisco on conditional sales contracts and to pay a loan of \$1,300 due F. P. Landier.

5. The authority herein granted will become effective when Landier Transit Co. Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Thirty-six (\$36.00) Dollars.

6. The authority herein granted to execute a deed of trust 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 deed of trust as to such other legal requirements to which said deed of trust may be subject.

7. Within thirty (30) days after the execution of the conditional sales contracts, the execution of the deed of trust and the issue of the notes herein authorized, Landier Transit Co. Inc. shall file with the Railroad Commission a true and correct copy of the conditional sales contracts, and a true and correct copy of the deed of trust executed under the authority herein granted, also a true and correct copy of each of the notes issued under the authority herein granted, together with a statement showing the purposes for which it expended the proceeds realized through the issue of said notes.

Dated at San Francisco, California, this 18th day of November, 1941.



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Commissioners