

*CORRECTION*

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DECISION NO. 35627 CASE NO. \_\_\_\_\_ APP. NO. 25127

ORIGINAL

Decision No. 35627

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

JAMES R. PROPER, doing business as  
LOS ANGELES-TRONA STAGES,

for an order pursuant to Section 52 of  
the Public Utilities Act authorizing  
the issuance of conditional sales con-  
tracts in the total sum of \$27,519.87  
for the acquisition of property consist-  
ing of three (3) motor coaches.

Application No. 25127

BY THE COMMISSION:

O P I N I O N

James R. Proper, doing business as Los Angeles-Trona Stages, hereinafter sometimes referred to as applicant, is rendering a motor coach passenger transportation service between Trona and Los Angeles under the Railroad Commission's Decision No. 20306, dated October 5, 1928, in Application No. 14664, as amended.

For 1941, applicant reports operating revenues of \$16,364.12 and operating expenses of \$17,537.66, resulting in a loss of \$1,171.54. His operating expenses include \$1,702.28 for depreciation.

Applicant's petition shows that on July 1, 1942,

he entered into an agreement with the American Potash & Chemical Corporation covering the purchase of three Model 29-DR-42, 8 cylinder, 29-passenger Clipper Motor Coaches, manufactured by the Flexible Company of Loudonville, Ohio. The agreement shows that James R. Proper is in need of additional equipment, consisting of new motor coaches, in order to render a more satisfactory and adequate service; that he is not in a position himself to finance the purchase of the motor coaches on satisfactory terms, and that he has asked the company to finance the purchase of the three motor coaches. The company, because of the frequent use its officials and employees make of applicant's service, has agreed to finance the purchase of the three new motor coaches for him. It has ordered the three motor coaches and has made a down payment on one of such motor coaches which is to be delivered in July. The company will sell the coaches to applicant at cost to it. The cost of the coaches is estimated at \$9,173.29 per unit or at an aggregate total of \$27,519.87, exclusive of interest.

Applicant asks permission to execute conditional sales contracts to acquire the motor coaches from American Potash & Chemical Corporation. Such contracts will provide that 1/48th of the purchase price of each of the coaches, including delivery cost, taxes, and all regular and extra equipment except tires and tubes, will be payable each thirty days after the date of each such contract for a period of four years, plus interest at the rate of 6% per annum on the unpaid balance. Applicant also has agreed to secure the payment of said purchase price by executing and delivering to the company as additional security for the

funds expended by the company for the purchase of the three motor coaches, a chattel mortgage, in the customary form, covering the following equipment:

- a) One (1) 1935 14-passenger, 8 cylinder Pierce Arrow Motor Coach, Engine No. 230743, License No. BE-PC-W1951
- b) One (1) 1935 14-passenger, 8 cylinder Pierce Arrow Motor Coach, Engine No. 230670, License No. BE-PC-X8823
- c) One (1) 1935 14-passenger, 8 cylinder Pierce Arrow Motor Coach, Engine No. 230088, License No. BE-PC-Y3426
- d) One (1) 1936 14-passenger, 8 cylinder Pierce Arrow Motor Coach, Engine No. 231516, License No. BE-PC-V986
- e) Garage equipment installed in his garage at 2627 Menlo Avenue, Los Angeles, California, consisting of one (1) Rockford Lathe with motor, one (1) U. S. Air Compressor complete with motor, (1) Drill Press, and miscellaneous tools, parts, etc. therein.

In his petition applicant recites that he proposes to use the motor coaches in the service now being rendered by him between Los Angeles and Trona and in an extension of said service from Trona to San Bernardino if his application to establish such service is granted by the Commission. Applicant has not yet filed an application for permission to operate a passenger service between Trona and San Bernardino. The authority herein granted to execute conditional sales contracts and a chattel mortgage should not be construed as a finding that public convenience and necessity require applicant to operate a passenger stage service between Trona and San Bernardino.

#### Q 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 by applicant through the execution of conditional sales contracts and the chattel mortgage herein authorized is reasonably required by applicant for the purpose of acquiring said motor coaches, and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED as follows:

1. James R. Proper, doing business as Los Angeles-Trona Stages, may, after the effective date hereof and on or before November 30, 1942, execute conditional sales contracts in substantially the same form as the conditional sale contract filed in this proceeding as Exhibit B, said conditional sales contracts to be for the aggregate sum of not exceeding \$28,000 and to be executed for the purpose of acquiring the three motor coaches referred to in the foregoing Opinion.

2. James R. Proper, doing business as Los Angeles-Trona Stages, may, after the effective date hereof and on or before November 30, 1942, execute a chattel mortgage as additional security for the funds expended by the American Potash & Chemical Corporation for the purchase of said three motor coaches, said chattel mortgage to be a lien on the property described in the foregoing Opinion.

3. The authority herein granted will become effective when James R. Proper, doing business as Los Angeles-Trona Stages, has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-eight (\$28.00) Dollars.

4. James R. Proper, doing business as Los Angeles-Trona Stages, shall file with the Railroad Commission, within thirty days after their execution, a copy of each and every con-

ditional sale contract executed under the authority herein granted, together with a copy of the chattel mortgage executed under such authority.

Dated at Los Angeles, California, this 28<sup>th</sup> day of July, 1942.

Justice J. Brewer  
Ray K. Peery  
G. D. M.  
Francis R. Havens  
Richard L. ...  
 Commissioners.

\$ 28.00  
 RAILROAD COMMISSION  
 STATE OF CALIFORNIA  
 JUL 31 1942  
262-2696  
H. Mackay  
 SECRETARY