

Decision No. 35988

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 repayments of said note, and to use the proceeds of said note for the purposes specified herein.

Application
No. 25374

ORIGINAL

BY THE COMMISSION:

O P I N I O N

Pasadena City Lines, Inc., hereinafter sometimes referred to as applicant, asks permission to issue to The Anglo California National Bank of San Francisco its promissory note for the sum of \$46,900, payable in sixty 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 five 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, at an aggregate cost of \$52,107.93, from Yellow Truck & Coach Manufacturing Company, five new Yellow TG3606, 36-passenger transit type gasoline

powered motor coaches. It is acquiring these coaches in order that it may more adequately handle the increased transportation business in the City of Pasadena and vicinity arising from increased industry and from tire and the coming gasoline rationing.

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 \$46,900 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 five new motor coaches.

ORDER

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 purpose herein stated; that the expenditures for such purpose 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, after the effective date hereof and on or before February 1, 1943, 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 \$46,900 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 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 it may be subject, and provided further, that the proceeds realized through the issue of said note be used by applicant to pay in part the cost of said five 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 Forty-seven (\$47.00) 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, together with a statement showing the purpose for which it expended said \$46,900.

Dated at San Francisco, California, this 1st day of December, 1942.

Justus J. Gaenen
W. J. Baker
Francis L. Farnum
Richard L. Clarke
Commissioners

