

Decision No. 37646

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 or chattel mortgage on certain of the applicant's properties to secure repayment of said note, and to use the proceeds of said note for the purpose specified herein.

ORIGINAL

Application
No. 26519

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 in the sum of \$99,000, payable in 60 equal consecutive monthly installments with interest at the rate of 2½% per annum, payable monthly for the purpose of paying, in part, the cost of ten new motor coaches to which reference will be made hereafter. It further asks permission to secure the payment of such note by the execution of a chattel mortgage which will be a lien on said ten motor coaches. A copy of applicant's proposed note and a copy of its proposed chattel mortgage are on file in this application as Exhibits "B" and "C," respectively.

Applicant reports that in order to handle increased traffic in the City of Pasadena and vicinity, it with the approval of the Office of Defense Transportation purchased from GMC Truck and Coach Division, General Motors Corporation, five new "GMC" TG 3609 transit type, 36 passenger and five new "GMC" TG 4007 transit type 40 passenger gasoline powered motor coaches at a total cost of \$110,259.75. This cost includes freight charges of \$4,722.65 and Federal and State taxes of \$7,477.10. To finance the purchase of the coaches applicant has made arrangements to borrow \$99,000 from the Anglo-California National Bank of San Francisco. The payment of the loan will be secured by a chattel mortgage which will be a lien on the ten motor coaches, and guaranteed by Pacific City Lines, Inc., which owns all of applicant's outstanding stock.

Applicant reports the cost of its carrier operating property as of November 30, 1944, at \$547,636.65. Its depreciation reserve as of the same date is reported at \$201,373.17 and the net cost of said properties at \$346,263.48. As of November 30, 1944, its outstanding equipment obligations amounted to \$79,338.52.

O 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 or paid for by the issue of the note herein authorized

is reasonably required by applicant 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 execute, after the effective date hereof and on or before April 1, 1945, a chattel mortgage in, or substantially in, the same form as that filed in this proceeding as Exhibit "C" and may issue a promissory note for the principal sum of not exceeding \$99,000 in, or substantially in, the same form as that filed in this proceeding as Exhibit "B." The proceeds realized through the issue of said note shall be used by applicant to finance, in part, the purchase of said ten motor coaches.

2. 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 Ninety-nine (\$99.00) Dollars.

3. Pasadena City Lines, Inc. shall file with the Railroad Commission within thirty (30) days after their execution and delivery a copy of the chattel mortgage and a copy of the note executed and delivered under the authority herein granted, together with a statement showing the purpose for which it expended said \$99,000.

Dated at San Francisco, California, this 30th
day of January, 1945.

David Anderson
Justus J. Cracker
Richard Kachse
Irving Ramee
Frank O'Connell
Commissioners

RAILROAD COMMISSION
STATE OF CALIFORNIA
4794
FEB 5 1945
499.00
David Anderson