

ORIGINAL

Decision No. 42357

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
THE GRAY LINE, 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 se- )  
cure repayment of said note, and to )  
use the proceeds of said note for the )  
purpose specified herein. )  
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Application  
No. 29904

OPINION AND ORDER

In this application, the Commission is asked to make an order authorizing The Gray Line, Inc. to issue a promissory note in the principal amount of \$11,740, payable in 72 equal consecutive monthly installments with interest at the rate of 4% per annum, and to execute a chattel mortgage to secure the payment of said note. A copy of the proposed note is attached to the application as Exhibit "C" and a copy of the proposed chattel mortgage as Exhibit "D".

Applicant is a corporation engaged in operating sight-seeing tours, and in giving special transportation service, principally in the City and County of San Francisco, in the East Bay cities and adjacent territory. It has reported its operating revenues at \$1,137,949.77 during 1947 and at \$900,348.50 for the ten months ending October 31, 1948, with net profit for the two periods of \$53,581.53 and \$58,853.84, respectively. As of October 31, 1948, it reports its assets and liabilities as follows:

Assets

Current assets -		
Cash and deposits	\$131,742.35	
Notes and accounts receivable	67,935.11	
Prepayments	7,544.65	
Materials and supplies	<u>14,668.25</u>	
Total current assets		\$221,890.36
Tangible property--less reserve		283,233.79
Intangible property		13,028.06
Investments and advances		<u>77,669.48</u>
	Total assets	<u>\$595,821.69</u>

Liabilities

Current liabilities -		
Accounts payable	\$ 48,579.27	
Accrued liabilities	30,719.84	
Payroll tax deductions	4,942.39	
Accrued income taxes	<u>40,358.51</u>	
Total current liabilities		\$124,600.01
Equipment obligations		<u>82,754.21</u>
	Total liabilities	207,354.22
Capital stock		110,006.00
Surplus		<u>278,461.47</u>
	Total	<u>\$595,821.69</u>

Applicant reports, in this application, that in order to meet increased requirements and to improve its service, it purchased, at a cost of \$14,677.08, one 1948 Flexible Model 33B6-4S Integral Type Sightseeing Coach equipped with Solex glass roof windows. To reimburse its treasury in part because of payment made for the coach, Applicant proposes to borrow \$11,740 from the Bank of America National Trust and Savings Association, Oakland, for this purpose, said sum to be represented by the note referred to in this application. The note will be guaranteed by Airport Limousine Company, the owner of all Applicant's outstanding stock.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money,

property or labor to be procured or paid for through the issue of said note is reasonably required by Applicant for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

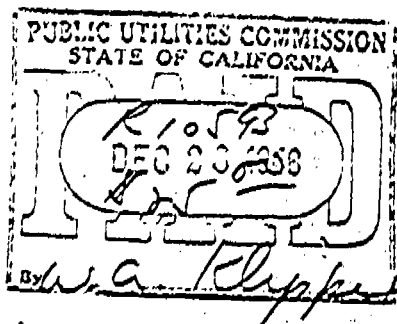
IT IS HEREBY ORDERED as follows:

1. The Gray Line, Inc., after the effective date hereof and on or before January 31, 1949, may issue a promissory note in the principal amount of \$11,740 for the purpose of reimbursing its treasury and of maintaining and improving its service, and may execute a chattel mortgage to secure the payment of the note, said note and said chattel mortgage to be in, or substantially in, the same form as those filed in this proceeding as Exhibit "C" and Exhibit "D", respectively.

2. Within thirty (30) days after the issue and execution of said note and said chattel mortgage, Applicant shall file with the Commission a copy of each as actually executed.

3. The authority herein granted will become effective when Applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 28<sup>th</sup> day of December, 1948.



Justice J. Quackenbush  
Francis J. Lott

Commissioners