

ORIGINAL

Decision No. 46041

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
INGLEWOOD CITY LINES, a corporation,
for an order authorizing applicant to
issue its promissory note to place a
lien of chattel mortgage on certain
of applicant's properties to secure
repayment of said note and to use the
proceeds of said note for the purpose
as specified herein.

Application
No. 32614

O P I N I O N

This is an application for an order of the Commission authorizing Inglewood City Lines, a corporation, to issue a note for the purpose of financing; in part, the cost of two units of equipment and to execute a mortgage of chattels to secure the payment of said note. A copy of the proposed note and the proposed mortgage of chattels is attached to the application as Exhibit A.

Applicant is engaged in business as a common carrier of passengers by motor coach, in and about the City of Inglewood. For the year 1949, it reported operating revenues of \$257,552.46, and net loss of \$4,532.75. For the year 1950, it reported operating revenues of \$242,548.96, and net loss of \$5,193.30. The depreciation charges included in the operating expenses during the two years were \$19,311.21 for the year 1949, and \$15,949.72 for the year 1950. Applicant has reported its assets and liabilities as of December 31, 1950, as follows:

<u>Assets</u>		
Cash and other current assets		\$ 28,169.68
Tangible carrier operating property	\$161,219.96	
Less: Reserve for depreciation	<u>82,728.29</u>	78,491.67
Intangible property	\$ 10,760.46	
Less: Reserve for amortization	<u>3,437.47</u>	7,322.99
Prepayments		<u>2,074.25</u>
 Total Assets		 <u>\$116,058.59</u>

<u>Liabilities</u>		
Current liabilities		\$ 23,924.65
Equipment obligations		37,975.00
Preferred capital stock		24,000.00
Common capital stock		32,600.00
Earned surplus		<u>(2,441.06)</u>
 Total Liabilities		 <u>\$116,058.59</u>

Applicant reports that it has entered into an agreement with General Motors Truck and Coach Division for the purchase of two 36-passenger transit type coaches for delivery on or about September 10, 1951. The cost of the coaches, including use tax and estimated delivery costs, is reported at \$33,635.34. In order to finance, in part, the purchase price, applicant proposes to negotiate a loan with Bank of America National Trust and Savings Association, under the terms of which the bank will advance to applicant the sum of \$29,000 to be repayable, with interest computed at 4% discount, over a period of sixty months at the rate of \$580 a month. The total obligation thus will amount to \$34,800.

To secure repayment of the note, applicant proposes to execute a mortgage of chattels covering two used 1942 model GMC buses, .5 used 1942 model Ford buses, and the two units of equipment which applicant presently proposes to purchase.

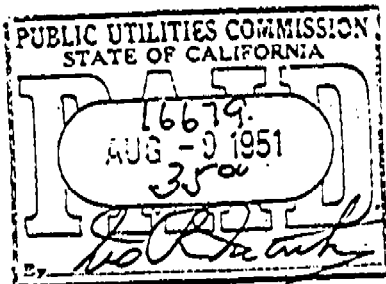
ORDER

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon 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 a note for not exceeding \$34,800 is reasonably required by Inglewood City Lines for the purposes specified herein; therefore,

IT IS HEREBY ORDERED as follows:

1. Inglewood City Lines, after the effective date hereof and on or before December 31, 1951, may issue a promissory note in the principal amount of not exceeding \$34,800 for the purpose of paying, in part, the cost of the two units of equipment referred to in this proceeding, and may execute a mortgage of chattels to secure payment of the note. The note and mortgage of chattels herein authorized shall be in, or substantially in, the same form as that filed in this proceeding as Exhibit A.
2. Inglewood City Lines shall file with the Commission, within thirty days after the execution thereof, a copy of the note and mortgage of chattels as actually executed.
3. The authority herein granted will become effective when Inglewood City Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$35.00.

Dated at San Francisco, California, this 7th
day of August 1951.



James F. Crocker
Harold P. Hale
Lawrence P. Potter
Robert E. Applebee

Commissioners