

Decision No. 48246 :

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
THE GRAY LINE, INC. )  
asking for the approval of the Com- )  
mission to issue a promissory note )  
and to encumber property. )  
----- )

Application  
No. 34037

O P I N I O N

This is an application for an order of the Commission authorizing The Gray Line, Inc. to execute a chattel mortgage and to issue a promissory note in the principal amount of \$39,240.

Applicant is engaged in operating sightseeing tours, principally within San Francisco, the East Bay cities, and adjacent territories. It reports that in order to meet increased requirements and to improve its service it has purchased from Yosemite Park and Curry Company two used 1949 Flexible Sightseer coaches and from Blue Grey Stages, Inc., of Hoquiam, Washington, three used 1951 Flexible Visicoaches, at a total cost of \$49,069.08. It further reports that it used working cash to pay for the equipment and that, in order to replenish its treasury in part, it now desires to borrow \$39,240 from Bank of America National Trust and Savings Association, said sum to be represented by a note payable in 72 equal consecutive monthly installments, plus interest at the rate of 4½% per annum. The payment of the note will be secured by a chattel mortgage covering the five units of equipment.

Applicant's financial statements filed with this application show its operating revenues during the first eleven months of

1952 in the amount of \$1,399,669.62 and its net profit at \$50,754.05 after making provision for federal income taxes. The statements show applicant's assets and liabilities as of November 30, 1952, as follows:

<u>Assets</u>		
Current assets -		
Cash and deposits	\$ 83,619.80	
Accounts receivable	134,883.73	
Prepayments	10,915.03	
Materials and supplies	<u>55,140.51</u>	
Total current assets		\$284,559.07
Tangible property -		
Cost	614,916.26	
Reserve	<u>301,702.32</u>	
Net tangible property		313,213.94
Intangible property		13,028.06
Other investments		<u>236,703.29</u>
	Total	<u>\$847,504.36</u>
<u>Liabilities</u>		
Current liabilities -		
Accounts payable	\$ 85,320.35	
Accrued liabilities	<u>112,341.61</u>	
Total current liabilities		\$197,661.96
Equipment obligations -		
Due within one year	23,328.90	
Due after one year	<u>40,363.00</u>	
Total equipment obligations		63,691.90
Total liabilities		<u>261,353.86</u>
Deferred credits		3,210.00
Capital stock and surplus -		
Common stock	110,006.00	
Surplus	<u>472,934.50</u>	
Total capital stock and surplus		<u>582,940.50</u>
	Total	<u>\$847,504.36</u>

Upon reviewing this application it appears that applicant will have need for additional funds to replenish its treasury and that an order should be entered granting its request.

#### O R D E R

The Commission having considered the above entitled matter, and being 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 by the issue of the note herein authorized is reasonably required by applicant for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

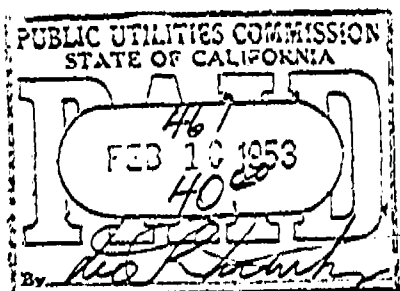
IT IS HEREBY ORDERED as follows:

1. The Gray Line, Inc., on and after the effective date hereof and on or before June 30, 1953, may issue a promissory note in the principal amount of \$39,240, and may execute a chattel mortgage to secure the payment of said note, for the purpose of reimbursing its treasury and improving and maintaining its service, such note and chattel mortgage to be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively.

2. Applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is forty (\$40.00) dollars.

Dated at San Francisco, California, this 10<sup>th</sup> day of February, 1953.



R. J. [Signature]  
President

Justin J. [Signature]  
Harold A. [Signature]

[Signature]  
[Signature]  
Commissioners