

ORIGINAL

Decision No. 59830

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of

LOS ANGELES CITY EXPRESS, INC., a
California corporation,

for authority to incur long-term
debt and to issue promissory note
pursuant to Section 818 of the
Public Utilities Code.

Application No. 41970

OPINION AND ORDER

In this application, filed on February 19, 1960, Los Angeles City Express, Inc., requests that the Commission enter an order authorizing it to issue a promissory note secured by a deed of trust to replace documents previously issued inadvertently without Commission authorization.

Applicant is engaged in business as a motor carrier of property in Southern California. It advises that recently it purchased a parcel of real property located at 2288 - 2306 East 48th Place, Vernon, which is presently under lease to other companies but which will, upon termination of the present leases, be converted to applicant's use to provide office space, loading and other facilities required in connection with its operations.

The purchase price of \$100,000 for the real property was satisfied by a cash payment of \$18,500, the assignment to seller of a promissory note held by applicant in the amount of \$10,500 and by the issue of a promissory note secured by a deed of trust in the amount of \$71,000.

Applicant advises that through error and inadvertence and with no intent to evade provisions of the Public Utilities Code, it consummated the transaction for the purchase of the real property, including the execution of a note and deed of trust, without first having secured the required authorization of the Commission. Applicant now proposes, subject to Commission authorization, to execute a new deed of trust and to issue a note in the principal amount of not to exceed \$71,000, payable in monthly installments of \$788.28, including interest on the unpaid principal at the rate of 6% per annum, in lieu of similiar instruments now outstanding.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, 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 stated 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. Los Angeles City Express, Inc., on or after the effective date of this order and on or before July 31, 1960, for the purpose set forth in this application, may issue a note in the principal amount of not to exceed \$71,000, and may execute a deed of trust, which note and deed of trust shall be in or substantially in the same form as those on file in this proceeding as Exhibit C.
2. Los Angeles City Express, Inc. shall, within 30 days after issuing the note herein authorized, file with the Commission a copy thereof as actually issued.

3. The authority herein granted is for the issue of securities and is not to be construed as a finding as to the value of the property purchased nor as being indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

4. This opinion and order shall become effective when Los Angeles City Express, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$71.

Dated at San Francisco, California, this 29th day of March, 1960.

Ernest R. Payne
 President

W. E. ...

W. ...

S. ...

Theodore ...
 Commissioners

