

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
 VALLEY TRANSIT COMPANY,)
 for authority to issue notes and to) Application Number 9643.
 purchase certain property subject to)
 outstanding indebtedness.)

Ernest Walling, for Applicant.

BY THE COMMISSION:O P I N I O N

In this application the Railroad Commission is asked to make an order authorizing Valley Transit Company to issue a \$20,000.00 note, the payment of which is to be secured by a mortgage, and to assume the payment of indebtedness amounting to \$55,815.00, which payment is covered by a purchase contract.

The Valley Transit Company is engaged in the business of transporting persons and property by automobile stage between the City of Merced and the City of Bakersfield via Fresno and intermediate points. The company has an authorized capital stock of \$250,000.00, all of which is outstanding. During 1922 it paid dividends at the rate of eight percent., and during 1923 at the rate of twelve percent. on the outstanding capital stock.

The company has entered into an agreement covering the purchase of Lots 23, 24, and 25 in Block 76 in the City of Fresno, Fresno County. It has agreed to pay \$45,000.00 for this property; \$25,000. to be paid in cash and \$20,000. to be represented by the assumption of a mortgage. The mortgage is due. Applicant asks permission to issue its three year seven percent. notes to refund the

\$20,000.00 indebtedness. A copy of the proposed mortgage is on file in this proceeding and marked "Applicant's Exhibit No. 1". The company intends to use this property for garage purposes.

It appears of record that the company sold eighty acres of farm land and through such sale acquired the following property:-

Lots 18, 19, 20 and 21 in Block 29, of Belmont Addition
in the City of Fresno.

In acquiring this property it assumed indebtedness of \$55,815. payable in monthly installments of \$500., with interest at the rate of seven percent. per annum. The property acquired by the company produces at present a net income of \$675.00. The company asks to assume the payment of the \$55,815.00. A copy of the contract covering the purchase of such property is filed in this proceeding as "Applicant's Exhibit No. 2."

ORDER

VALLEY TRANSIT COMPANY having applied to the Railroad Commission for permission to issue notes, assume indebtedness and to execute a mortgage, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or acquired through the issue of the notes and the assumption of the indebtedness herein authorized, is reasonably required by applicant and that this application should be granted as herein provided:-

IT IS HEREBY ORDERED that the Valley Transit Company be, and it is hereby, authorized to execute a mortgage substantially in the same form as the mortgage filed in this proceeding and marked "Applicant's Exhibit No. 1", to secure the payment of \$20,000.00 face value of three year seven percent. notes referred to in the following paragraph, provided that the authority herein granted to execute a mortgage is for the purpose of this proceeding only, and is granted in so far as this Commission has jurisdiction under the terms of the

Public Utilities Act, and is not intended as an approval of such mortgage as to such other legal requirements to which said mortgage may be subject.

IT IS HEREBY FURTHER ORDERED that Valley Transit Company be, and it is hereby, authorized to issue a three year seven per cent. note in the principal sum of \$20,000.00 for the purpose of acquiring and paying in part for the following described property:-

Lots 23, 24 and 25 in Block 76 in the City of Fresno,
County of Fresno, State of California.

IT IS HEREBY FURTHER ORDERED that Valley Transit Company be, and it is hereby, authorized to assume the payment of an indebtedness in the amount of \$55,815.00, said indebtedness to be assumed in connection with the purchase of the following property:-

Lots 18, 19, 20 and 21 in Block Numbers. 29 of Belmont Addition to the City of Fresno, according to the map or plat thereof on file and of record in the office of the County Recorder of the County of Fresno, State of California.

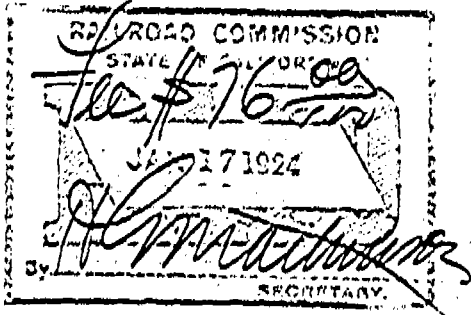
The indebtedness authorized to be assumed by Valley Transit Company shall be paid in accordance with the agreement filed in this proceeding and marked "Applicant's Exhibit No. 2."

The authority herein granted is subject to further conditions as follows:-

1. Valley Transit Company shall file with the Railroad Commission a report or reports as required by the Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.
2. The authority herein granted will become effective upon the payment of the fee prescribed by Section 57 of

the Public Utilities Act, which fee is \$76.00. The authority to issue a note, execute a mortgage and assume indebtedness will expire on May 1, 1924.

DATED at San Francisco, California, this 15th day of January, 1924.



C. Cheever
H. B. Bunnell
Irving Martin
Egerton Shore

Commissioners.