

LEM

Decision No. 18888.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
K.M. STEVENSON and PAUL SHAFER,)
a co-partnership, doing business)
under the fictitious name of the)
Victorville Motor Express wherein)
said applicants desire authoriza-)
tion to carry certain contracts on)
a monthly payment basis over a)
period longer than one year.)

ORIGINAL

Application No. 14055

K. M. Stevenson, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

K. M. Stevenson and Paul Shafer, doing business under the fictitious name of the Victorville Motor Express, ask permission to execute contracts and issue notes involving the payment of \$10,853.95.

Applicants are engaged in the business of transportation of freight between Los Angeles and Yermo, California, and points intermediate between San Bernardino and Yermo. In connection with the purchase of equipment and the construction of a warehouse they have heretofore incurred obligations in the sum of \$10,853.95. This amount is payable to the following parties and in the following amounts-

<u>Party</u>	<u>Date of contract or note.</u>	<u>Maturity of contract or note</u>	<u>Face of contract or note</u>	<u>Monthly Payment</u>
Mack International Truck Corporation	8/9/26	2/9/28	\$3,403.95	\$150, excluding interest.
J.H. Pullian	10/14/26	7/9/28	2,500.00	\$116., including interest
Redlands Bldg. & Loan Association	12/26/26	11/26/34	1,000.00	\$14., including interest.
Bailey Pattillo Co.	1/17/27	7/17/28	1,900.	\$105.55 excluding interest
Bailey Pattillo Co.	6/13/27	1/13/29	2,050.00	\$105.55 excluding interest.

All of the foregoing obligations, other than that payable to the Redlands Building and Loan Association, represent part of the purchase price of truck equipment used and necessary in the conduct of applicant's business. Money obtained from the Redlands Building and Loan Association was used to construct a warehouse at Victorville. The payment of the \$1,000.00 loan was secured by a deed of trust, a copy of which is filed in this proceeding. It appears that all of the contracts and notes were executed without authorization from the Commission. The evidence shows that neither K.M.Stevenson nor Paul Shafer were familiar with the provisions of the Public Utilities Act requiring them to get the consent from this Commission to execute the contracts and issue the notes. Upon having their attention called to this matter they forthwith filed an application for permission to carry the contracts and notes until the date of their respective expiration. This Commission has frequently taken the position that contracts and notes such as are referred to herein and which are issued without permission from the Commission, are void, and that the Commission cannot ratify a void instrument. In this instance, we will not approve the contracts and notes to which reference has been made, but will authorize K.M.Stevenson and Paul Shafer, doing business under the fictitious name of Victorville Motor Express, to execute contracts and notes substantially in the same form as those filed in this proceeding.

A public hearing having been held in the above entitled matter before Examiner Fankhauser, and the Commission having considered the request of applicants, and believing that such requests should be granted, as herein provided, and that the money, property or labor to be procured or paid for by the execution of the contracts and the issue of the notes herein authorized, are reasonably required by applicants, and that the expenditures are not in whole or in part reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that K. M. Stevenson and Paul Shafer, doing business under the fictitious name of the Victorville Motor Express be, and they are hereby, authorized to execute contracts and issue notes in the aggregate sum of not exceeding \$10,653.95 to the parties and in conformity with the terms and conditions of the contracts and notes referred to in this petition.

IT IS HEREBY FURTHER ORDERED that K. M. Stevenson and Paul Shafer, doing business under the fictitious name of Victorville Motor Express, be, and they are hereby, authorized to execute a deed of trust substantially in the same form as the deed of trust filed in this proceeding, provided that the authority herein granted to execute said deed of trust is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said deed of trust as to such other legal requirements to which said deed of trust may be subject.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when K.M.Stevenson and Paul Shafer, doing business under the fictitious name of the Victorville Motor Express, have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is \$25.00, and that they shall file with the Commission a report such as is required by the Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 4th day of October, 1927.

Frank J. [Signature]
Charles [Signature]
Leon [Signature]
John [Signature]
[Signature]

Commissioners.