

Decision No. 23870**ORIGINAL****BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of
 UNITED MOTOR TRANSPORT LINES, INC.,
 to issue promissory note and to
 execute a deed of trust and a chattel
 mortgage on the property and equipment
 of applicant as security for the pay-
 ment thereof.

Application No. 17456

Sanborn, Roehl and Brookman, by
 W. E. Kessler, for applicant.

BY THE COMMISSION:

OPINION

In this proceeding the Railroad Commission is asked to enter its order authorizing United Motor Transport Lines, Inc. to issue a promissory note in the amount of \$20,000.00 and to execute a deed of trust and a chattel mortgage to secure the payment of such note. Reference will hereafter be made to the terms of the note and the purpose for which it is to be issued.

The United Motor Transport Lines, Inc. is a corporation organized under and by virtue of the laws of the State of California. It is engaged in the operation of auto-truck lines as a common carrier of property, for compensation, between Sacramento and Auburn, California, and intermediate points, via Rocklin, Roseville, Penryn, Loomis and Newcastle; and between Sacramento and Wheatland, and intermediate points, via Roseville and Sheridan, in pursuance of the authority of the Commission heretofore granted by Decision No. 20834, dated March 4, 1929, in Application No. 15341.

The company for 1930 reports operating revenues of \$54,593.00 and operating expenses of \$50,908.14, resulting in a net operating revenue of \$3,684.86.

Applicant has an authorized capital stock issue of \$150,000.00 divided into 1,500 shares of the par value of \$100.00 each. Stock in the amount of \$71,300.00 is now outstanding. As of April 1, 1931, applicant had \$7,600.00 of note and \$4,314.87 of installment purchase contracts outstanding. One of the notes is secured by a mortgage and is payable in monthly installments of \$100.00. On this note there remains \$5,300.00.unpaid.

Applicant has made arrangements, subject to obtaining the necessary authorization from the Commission, to obtain a loan of \$20,000.00 from the Sacramento Guarantee Building Loan Association. This loan will be represented by a note payable in monthly installments of \$240.00. The \$240.00 includes the payment of part of the principal and interest at the rate of 8-4/10 percent per annum. The note may be paid at any time before maturity upon the payment of the balance of the principal and interest then due, together with an amount equal to one month's interest at the rate of 8-4/10 percent upon the principal sum then due. Applicant desires to use the proceeds obtained from the issue of the note to pay the aforementioned \$5,300.00 note and purchase terminal properties in North Sacramento which it now leases at a monthly rental of \$175.00 per month. This property comprises "Lot 9, Block 13, Subdivision Number 9, shown on plat of North Sacramento, recorded in the office of County Recorder of Sacramento County, April 3, 1914, in book 15 of Maps, Map No. 2, together with improvements thereon consisting of a shop known as No. 1409 Del Paso Boulevard, North Sacramento."

The payment of the note will be secured by the execution of a deed of trust (Exhibit "E") which will be a lien on the

following described properties:

Parcel No. 1. All that certain real property situated, lying and being in the Town of North Sacramento, County of Sacramento, State of California, particularly described as follows, to wit:

Lots 1, 2, 3, 9 and 10 in Block 13, as shown on the "Plat of North Sacramento, Subdivision No. 9", recorded in the office of the County Recorder of Sacramento County, April 3rd, 1914, in Book 15 of Maps, Map No. 2.

Parcel No. 2. All that certain real property situated in the Town of Wheatland, County of Yuba, State of California, described as follows, to wit:

Beginning at a point fifteen (15) feet east from the southwest corner of Lot 9, Block 20, of said Town of Wheatland, and running in a northwesterly direction 130 feet; thence in a westerly direction 50 feet; thence in a southeasterly direction 31 feet; thence in a westerly direction 10 feet; thence at right angles in a southeasterly direction 47 feet; thence in a northeasterly direction 25 feet; thence in a southeasterly direction 52 feet to Main Street; thence at right angles in a northeasterly direction 35 feet to the place of beginning.

Parcel No. 3. All those certain lots, pieces or parcels of land situate, lying and being in the County of Mendocino, State of California, bounded and particularly described as follows, to wit:

The Northwest quarter of Northwest quarter of Section Twenty-seven (27); Lots One (1), Two (2), Three (3), and the North half of Lots Nine (9) and Ten (10) of Section Twenty-eight (28); Township Fifteen (15) North, Range Sixteen (16) West, Mount Diablo Meridian, containing 199 acres, more or less.

The deed of trust will provide for the release of the property situate in Mendocino County. If the company complies with all the covenants of the deed of trust, said properties will be released one year after the execution of the deed of trust.

The payment of the note will be further secured by the execution of a chattel mortgage (Exhibit "F") which will be a lien on substantially all of applicant's personal property, except its operative rights.

O R D E R

The Railroad Commission having been asked to enter its order as indicated in the foregoing opinion, a public hearing having been held before Examiner Fankhauser, the Commission having considered the evidence submitted at such hearing and being of the opinion that the money, property or labor to be procured or paid for by applicant through the issue of the \$20,000.00 note herein authorized is reasonably required by applicant for the purposes herein stated, that such purposes 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 as follows:

1. United Motor Transport Lines, Inc. may, on or before September 1, 1931, issue its promissory note for the principal amount of \$20,000.00, payable in monthly installments of \$240.00 each, such note to be in substantially the same form as the note filed in this proceeding as Exhibit "D".

2. For the purpose of securing the aforesaid note, United Motor Transport Lines, Inc. may, on or before September 1, 1931, execute a deed of trust in substantially the same form as the deed of trust filed in this proceeding as Exhibit "E", provided that such deed of trust contain a clause permitting one year after the execution of said deed of trust, the release of the properties situate in Mendocino County from the lien of said deed of trust.

3. For the purpose of securing the payment of the

aforesaid note, United Motor Transport Lines, Inc. may, on or before September 1, 1931, execute a chattel mortgage substantially in the same form as the chattel mortgage filed in this proceeding as Exhibit "F".

4. United Motor Transport Lines, Inc. shall use the proceeds which it will obtain through the issue of the note herein authorized, to pay an outstanding note on which there is due the sum of \$5,300.00 and to acquire, free and clear of all encumbrances, the properties described in the foregoing opinion.

5. The authority granted to execute a deed of trust and a chattel mortgage 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 and said chattel mortgage as to such other legal requirements to which said deed of trust and said chattel mortgage may be subject.

6. Within thirty (30) days after issuing the note herein authorized, United Motor Transport Lines, Inc. shall file with the Commission a statement such as is required by the Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

7. The authority herein granted to issue a note and to execute a deed of trust and a chattel mortgage will become effective when applicant has paid the minimum

fee prescribed by Section 57 of the Public Utilities
Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 3rd day
of July, 1931.

C. L. DeWitt

W. J. Kim

Fred G. Stewart

Commissioners.

Fee # 25 ⁰⁰/₁₀₀

H. Mark

Fee # 28348