

Decision No. 25999

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
MOTOR TRANSIT COMPANY,  
a corporation, for permission to  
make a trust deed on certain of its  
property. )

) Application No. 18907

Frank Karr and R. E. Wedekind  
for applicant.

**ORIGINAL**

BY THE COMMISSION:

O P I N I O N

Motor Transit Company has applied to the Railroad Commission for an order authorizing it to execute a deed of trust to secure the payment of a promissory note in the principal amount of \$250,000.00 to be issued for the purpose of refunding outstanding indebtedness.

It appears that Motor Transit Company during 1928 under authority granted by Decision No. 20277, dated September 28, 1928, acquired certain properties and in doing so assumed the payment of indebtedness including two notes, one for \$70,000.00 and the other for \$200,000.00. The \$70,000.00 indebtedness, it appears from the application, fell due on April 25, 1932 and the \$200,000.00 indebtedness on May 7, 1931. At the time the company assumed this indebtedness it paid the fee mentioned in Section 57 of the Public Utilities Act. After maturity the obligations were renewed from time to time for ninety day periods, the mortgages having been released.

It is now reported that the Security First National Bank of Los Angeles, the payee of the indebtedness, has requested that the payment be secured by a trust deed on certain of applicant's properties situate in the City of Los Angeles. It appears that arrangements have been made whereby the bank will renew the indebtedness at ninety day periods, provided that the amount is reduced to \$250,000.00 and at the expiration of the ninety days is reduced by \$20,000.00 more, and thereafter by \$30,000.00 on each renewal. Accordingly, this application has been made to comply with the bank's request.

The company has filed as Exhibit "B" a copy of the proposed deed of trust. We have examined the same and find it to be in satisfactory form.

ORDER

Motor Transit Company having applied to the Railroad Commission for permission to execute a deed of trust to secure the payment of a promissory note for \$250,000.00 and the Commission being of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted as herein provided and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein,

IT IS HEREBY ORDERED, that Motor Transit Company be, and it hereby is, authorized to execute a deed of trust, substantially in the same form as that filed as Exhibit "B" in this application, and to issue its promissory note to be secured by said deed of trust in the principal amount of \$250,000.00, payable ninety(90) days after date of issue, with interest at the rate of not exceeding five per cent per annum, for the purpose of paying or renewing indebtedness

of like amount in favor of Security First National Bank of Los Angeles.

IT IS HEREBY FURTHER ORDERED, that Motor Transit Company be, and it hereby is, authorized to refund from time to time, as indicated in the foregoing opinion, the \$250,000.00 note or any unpaid balance due thereon, by the issue of a new note or notes for said \$250,000.00 or said unpaid balance, provided that no note or notes issued under the authority granted in this order may be payable later than June 30, 1936.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted is subject to the following conditions:-

1. Applicant shall keep such record of the issue of the note or notes herein authorized as will enable it to file within thirty (30) days thereafter a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.
2. The authority herein granted to execute a 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 it may be subject.

3. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 29<sup>th</sup> day of May 1933.

C. C. Seavey

M. A. Curran

M. B. Lamm

M. H. [unclear]

Commissioners.