

Decision No. 12345

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
COAST LINE STAGES, INC.,  
for an order authorizing the issuance  
of note and deed of trust.

} Application No. 23344

BY THE COMMISSION:

OPINION AND ORDER

ORIGINAL

Coast Line Stages, Inc. has applied to the Railroad Commission for an order authorizing it to issue promissory notes in the principal amount of \$7,000 for the purpose of paying indebtedness and of financing the cost of new equipment.

The corporation is engaged in business as a highway common carrier, operating trucks and stages for the transportation of freight and passengers generally along the Mendocino County coast. It reports, in the application, that it has outstanding \$25,000 of common stock, a note payable to Julius Olinsky, one of its officers and principal stockholders, in the amount of \$5,960, and current obligations of approximately \$1,000.

Applicant recently, in the conduct of its business, found it necessary to purchase, for \$7,700, a six ton Diesel auto truck and, for \$1,600, a ten passenger Chevrolet stage; a total purchase price for the two units of \$9,500. It appears that these purchases were financed in part temporarily with moneys borrowed from Julius Olinsky.

The company now proposes to issue a note for \$6,000 to Coast National Bank, in Fort Bragg, and one for \$1,000 to First National Bank of Cloverdale, and to use the proceeds to pay in part its present outstanding indebtedness and to finance the cost of its new equipment.

The notes will be re-payable in seven years, with interest at the rate of six per cent. per annum, and will be secured by a deed of trust to Mendocino County Title Company, as trustee, covering certain real property located in Fort Bragg. The two banks will be the beneficiaries under the deed of trust.

In a former proceeding, Application No. 20005, the Commission by its order dated June 24, 1935, authorized Coast Line Stages, Inc. to execute a deed of trust to Mendocino County Title Company, as trustee, to secure the payment of a note for \$12,000.

The deed of trust was executed as of March 16, 1936 and a copy thereof was filed with the Commission in the former proceeding. The Commission now is advised that under the arrangements outlined in the present application, the deed of trust to secure the payment of the new notes will cover the same properties and will be in the same form as the indenture filed in Application No. 20005.

The Commission has considered this application and is of the opinion that a public hearing is not necessary, that the request of applicant should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of the notes are reasonably required for the purpose specified herein, and that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Coast Line Stages, Inc. be, and it hereby is, authorized to issue its promissory notes in the total principal amount of \$7,000, payable on or before seven years after date of issue with interest at not exceeding six per cent per annum, for the purpose of paying indebtedness and of financing in part the cost of the two units of equipment referred to herein.

IT IS HEREBY FURTHER ORDERED that Coast Line Stages, Inc. be, and it hereby is, authorized to execute a deed of trust in, or substantially in, the same form as the deed of trust, dated March 16, 1936, filed with the Commission in Application No. 20005, to secure the payment of said notes for \$7,000, provided that the authority herein granted to execute a deed of trust is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under 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.

IT IS HEREBY FURTHER ORDERED that Coast Line Stages, Inc. within thirty (30) days after execution of the deed of trust and notes herein authorized, shall file a copy of each with the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Coast Line Stages, Inc. 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 19<sup>th</sup> day of March, 1940.

Ray & Kurey  
Franklin  
Ray & Kurey  
Franklin  
Justin J. Casner  
COMMISSIONERS.

Fee Paid  
\$75.00  
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H. Markson  
#1026