

Decision No. 33633

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

STOCKTON ELECTRIC RAILROAD  
COMPANY,

for an order authorizing applicant to issue its promissory note; to place a lien of chattel mortgage on certain of the applicant's properties to secure repayment of said note, and to use the proceeds of said note for the purposes specified herein.

ORIGINAL

Application No. 23834

BY THE COMMISSION:

O P I N I O N

Stockton Electric Railroad Company asks permission to issue, for the purposes hereinafter stated, its promissory note for the sum of \$37,178.52, to The Anglo California National Bank, payable in 36 equal monthly installments plus interest at the rate of three and one-half per cent ( $3\frac{1}{2}\%$ ) per annum, and to execute a chattel mortgage to secure payment of such note.

By Decision No. 33633, dated October 29, 1940, in Application No. 23743, the Commission authorized Stockton Electric Railroad Company to operate a temporary automotive passenger stage service on two routes described in the decision. To render the service authorized by said decision, Stockton Electric Railroad Company acquired six Mack Model "NCL" 29-Passenger motor coaches at an aggregate cost of \$41,309.46. It paid for these motor coaches by borrowing \$25,000 from the Pacific City Lines, Inc., and by using current operating funds in the amount of \$16,309.46. For the purpose of paying its indebtedness

due the Pacific City Lines, Inc., and for the further purpose of reimbursing its treasury in the amount of \$12,178.52, applicant desires permission to issue to The Anglo California National Bank its note for the sum of \$37,178.52. The note will be payable in 36 equal monthly installments with interest at the rate of three and one-half per cent ( $3\frac{1}{2}\%$ ) per annum. The payment of the note will be secured by a chattel mortgage which will be a lien on said six Mack motor coaches. A copy of the proposed note is filed in this proceeding as Exhibit "B" and a copy of the chattel mortgage as Exhibit "C." We find the same to be in satisfactory form.

#### O R D E R

The Commission having considered the request of Stockton Electric Railroad Company for permission to issue a note for the sum of \$37,178.52 and to execute a chattel mortgage to secure the payment of said note, and it being of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured or paid for by the issue of said note is reasonably required for the purposes specified herein, and that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED that Stockton Electric Railroad Company be, and it is hereby, authorized to issue, after the effective date hereof and on or before February 1, 1941, its promissory note in the sum of \$37,178.52 to The Anglo California National Bank, payable in 36 equal monthly installments plus interest at the rate of three and one-half per cent ( $3\frac{1}{2}\%$ ) per annum, and to execute a chattel mortgage, substantially in the same form

as the chattel mortgage filed in this proceeding as Exhibit "C" to secure the payment of such note.

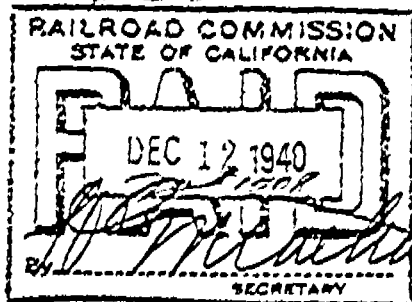
IT IS HEREBY FURTHER ORDERED that Stockton Electric Railroad Company shall use \$25,000 of the proceeds realized through the issue of said note to pay a like amount of indebtedness due the Pacific City Lines, Inc. and shall use the remainder of the proceeds to reimburse its treasury because of income expended for the acquisition of said motor coaches.

IT IS HEREBY FURTHER ORDERED that the authority herein granted to execute a chattel mortgage is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said chattel mortgage as to such other legal requirements to which said chattel mortgage may be subject.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Stockton Electric Railroad Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is thirty-eight (\$38.00) dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of the note and the execution of the chattel mortgage herein authorized, Stockton Electric Railroad Company shall file with the Railroad Commission a copy of said note and a copy of said chattel mortgage.

Dated at San Francisco, California, this 10<sup>th</sup> day of December, 1940.



Ray L. Curry  
Frank H. Allen  
J. J. Kelly  
Justin F. Cassen  
Commissioners

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