

Decision No. 23842

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
FRESNO CITY LINES, INC.

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. 23842

BY THE COMMISSION:

O P I N I O N

Fresno City Lines, Inc. asks permission to issue to The Anglo California National Bank, San Francisco, California, its \$20,000 promissory note, payable in 36 equal monthly installments, plus interest at the rate of 3-1/2% per annum, and to execute a chattel mortgage to secure the payment of said note.

Applicant's balance sheet as of October 31, 1940 shows equipment obligations in the sum of \$75,805.18. This amount includes \$53,272.60 due The Anglo California National Bank. This sum was borrowed from said bank in order to finance the purchase of twenty Yellow Motor Coaches, under the authority granted by Decision No. 32116, dated June 27, 1939, in Application No. 22770. The \$75,805.18 also includes \$22,532.58 due the Pacific City Lines, Inc. on a demand note in connection with the purchase by applicant of four Mack - Model NCL Transit Type motor coaches. The total cost of the four motor coaches is reported at \$25,615.99. Since October 31, 1940, payment of \$2,532.58 has been made on the

demand note, leaving the amount due at \$20,000. Applicant proposes to pay the Pacific City Lines, Inc. the \$20,000 with funds which it will obtain from The Anglo California National Bank. To represent such bank loan it will issue to the bank its \$20,000 note payable in 36 equal monthly installments, plus interest at the rate of 3-1/2% per annum. A copy of the note and a copy of the chattel mortgage (Exhibit "C") are on file in this proceeding. We have examined the same and find them to be in satisfactory form.

O R D E R

The Commission having considered the request of Fresno City Lines, Inc. for permission to issue a note for the sum of \$20,000, 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 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, and that this application should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED that Fresno City Lines, Inc. be, and it is hereby, authorized to issue, after the effective date hereof and on or before March 1, 1941, its promissory note for the sum of \$20,000 to The Anglo California National Bank, payable in 36 equal monthly installments, plus interest at the rate of 3-1/2% per annum, and to execute a chattel mortgage substantially in the same form as the mortgage filed in this proceeding as Exhibit "C," for the purpose of securing the payment of said note.

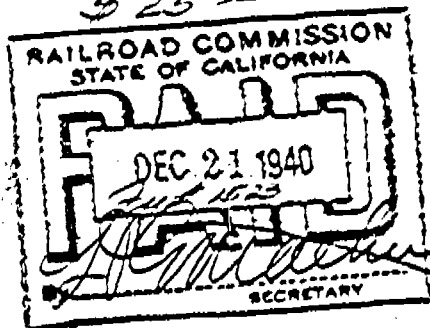
IT IS HEREBY FURTHER ORDERED that Fresno City Lines, Inc. shall use the proceeds realized through the issue of said note to pay its demand note of \$20,000 due the Pacific City Lines, Inc.

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 Fresno City Lines, Inc. has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is twenty-five (\$25.00) 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, Fresno City Lines, Inc. shall file with the Railroad Commission a copy of said note and a copy of said chattel mortgage.

Dated at San Francisco, California, this 17th day of December, 1940.



W. L. Riley
James D. ...
J. J. ...
Justus F. Coe
Commissioners