

Decision No. 34747

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of VALLEY EXPRESS CO., an express corporation, for authority to execute a note in the amount of \$48,500.00 and a Deed of Trust securing the same, and VALLEY MOTOR LINES, INC., to assume the same obligations as guarantor.

Application No. 24531

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

This is an application for an order of the Railroad Commission authorizing Valley Express Co. to issue a note for \$48,500, to execute a deed of trust to secure the payment of said note, and authorizing Valley Motor Lines, Inc. to endorse said note as guarantor.

It appears that both corporations are controlled through stock ownership by the same interests, and that both are under the general management of H. Frasher, as president. Valley Motor Lines, Inc. is engaged in the transportation of property as a highway common carrier while Valley Express Co. is engaged as an express corporation operating over the lines of Valley Motor Lines, Inc. and of other carriers.

The record shows that Valley Express Co. has purchased for approximately \$4,200 some 8-1/2 acres of land on Highway 99 near Manteca. It proposes to construct on such land, at a cost of about \$77,700, a freight terminal consisting of a covered concrete platform 100' by 300' in dimensions, a garage, service

station, and shop and office facilities.

To finance in part the cost of the structure, Valley Express Co. proposes to borrow from Bank of America National Trust and Savings Association, the sum of \$48,500 to be evidenced by an installment note, bearing interest at the rate of 5% per annum on the monthly decreasing balance, said principal and interest to be payable in monthly installments of \$685 until October, 1948, at which time the entire balance of principal and interest then unpaid shall be due and payable. The note will be endorsed by Valley Motor Lines, Inc. and its payment will be secured by a deed of trust covering the real property and improvements. The remainder of the construction cost will be met by funds in the treasury of Valley Express Co.

A public hearing was held on this proceeding before Examiner Fankhauser. The Commission has considered this matter and is of the opinion that the requests of applicants should be granted; that the money, property or labor to be procured or paid for through the execution of the deed of trust and the issue of the 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, therefore,

IT IS HEREBY ORDERED as follows:

1. Valley Express Co. may execute a deed of trust in, or substantially in, the same form as the deed of trust filed in this proceeding as Exhibit "F," and may issue a note in the principal amount of \$48,500 in, or substantially in, the same form as the note filed as Exhibit "E" for the purpose of financing in part the cost of constructing the terminal facilities at

Manteca referred to herein.

2. Valley Motor Lines, Inc. may endorse said note as guarantor in, or substantially in, the form attached to Exhibit "E" filed in this proceeding.

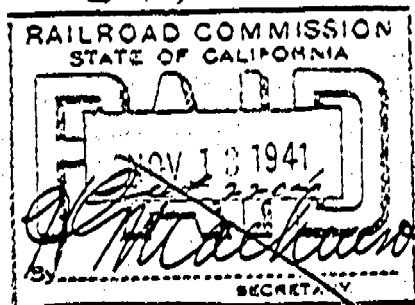
3. The authority herein granted to execute a deed of trust is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of the deed of trust as to such other legal requirements to which it may be subject.

4. Not later than thirty days after the issue of said note and execution of said deed of trust, Valley Express Co. shall file with the Commission a true and correct copy of said note and a true and correct copy of said deed of trust.

5. Prior to March 1, 1942, Valley Express Co. shall file with the Commission a statement showing the cost of said terminal building and appurtenances and the purposes for which it expended said \$48,500.

6. The authority herein granted will become effective when Valley Express Co. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Forty nine (\$49.00) Dollars.

Dated at San Francisco, California, this 12th day of November, 1941.



[Signature]
[Signature]
Justice J. Coe
Frank D. Havenar
[Signature]
Commissioners