

Decision No. 35245

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
STOCKTON 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.

Application No. 24870

BY THE COMMISSION:

O P I N I O N

In this proceeding, Stockton City Lines, Inc. asks permission to issue to The Anglo California National Bank of San Francisco its note for the sum of \$20,878.00, payable in sixty (60) equal consecutive monthly installments, plus interest at the rate of 3½% per annum, and to execute a chattel mortgage to secure the payment of such note. A copy of applicant's proposed note is filed in this proceeding as Exhibit B, and a copy of its proposed chattel mortgage as Exhibit C.

Applicant reports that because of the increase in business it has become necessary for it to acquire additional motor coaches. It has purchased from Yellow Truck & Coach Manufacturing Company four (4) Yellow TG2706 transit type motor coaches. The total cost of the coaches, including \$1,276 for freight, is reported at \$23,198.04. For the purpose of paying for the coaches, applicant borrowed on open account \$20,878.00

from Pacific City Lines, Inc. To refund this indebtedness applicant asks permission to issue to The Anglo California National Bank of San Francisco its note for the sum of \$20,878.00. The payment of the note will be secured by a chattel mortgage which will be a lien on the four coaches acquired by applicant, and will be further secured by a guarantee executed by Pacific City Lines, Inc.

ORDER

The Commission having considered the requests of Stockton City Lines, Inc. 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 Stockton City Lines, Inc. through the issue of said note is reasonably required by said Stockton City Lines, Inc. for the purpose of paying indebtedness; 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 as follows:

1. Stockton City Lines, Inc. may, after the effective date hereof and on or before June 30, 1942, issue to The Anglo California National Bank of San Francisco its promissory note for the sum of \$20,878.00, payable in sixty (60) equal consecutive monthly installments, plus interest at the rate of $3\frac{1}{2}\%$ per annum, payable monthly, said note to be in substantially the same form as the note filed in this proceeding as Exhibit B.
2. Stockton City Lines, Inc. shall use the proceeds realized through the issue of said note to pay \$20,878.00 of

indebtedness due Pacific City Lines, Inc.

3. Stockton City Lines, Inc. may, after the effective date hereof and on or before June 30, 1942, execute a chattel mortgage in substantially the same form as the chattel mortgage filed in this proceeding as Exhibit C, provided 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.

4. The authority herein granted will become effective when Stockton 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.

5. Stockton City Lines, Inc. shall, within thirty (30) days after the issue of said note, file with the Railroad Commission a true copy of said note, a true copy of said chattel mortgage, and a statement showing the purposes for which it expended the proceeds realized through the issue of said note.

Dated at Los Angeles, California, this 14th day of April, 1942.

Justin F. Peacock
Ray L. Wiley
W. H. [unclear]
Francis C. Haseman
[unclear]
Commissioners

\$ 25.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
APR 17 1942
BY [Signature]
SECRETARY