

Decision No. 35247

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SAN JOSE CITY LINES, INC.

ORIGINAL

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. 24868

BY THE COMMISSION:

O P I N I O N

In this proceeding, San Jose City Lines, Inc. asks permission to issue to The Anglo California National Bank of San Francisco its note for the sum of \$10,439.00, payable in sixty (60) equal consecutive monthly installments, plus interest at the rate of  $3\frac{1}{2}\%$  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 has purchased from Yellow Truck & Coach Manufacturing Company two (2) Yellow TG2706 transit type motor coaches. The total cost of the coaches, including \$638 freight charges, is reported at \$11,599.02. For the purpose of paying for the coaches, applicant borrowed on open account \$10,429.00 from Pacific City Lines, Inc. It is for the purpose of refund-

ing this indebtedness that it desires permission to issue to The Anglo California National Bank of San Francisco its note for the sum of \$10,439.00. The payment of the note will be secured by a chattel mortgage which will be a lien on the two coaches acquired by applicant, and will be further secured by a guarantee executed by Pacific City Lines, Inc.

The motor coaches will be used in applicant's passenger service in the Cities of San Jose and Santa Clara and vicinity thereof.

### ORDER

The Commission having considered the requests of San Jose 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 San Jose City Lines, Inc. through the issue of the note herein authorized is reasonably required by said San Jose 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. San Jose 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 \$10,439.00, payable in sixty (60) equal consecutive monthly installments, plus interest at the rate of 3½% per annum, payable monthly, said note to be in substantially

the same form as the note filed in this proceeding as Exhibit B.

2. San Jose City Lines, Inc. shall use the proceeds realized through the issue of said note to pay \$10,439.00 of indebtedness due Pacific City Lines, Inc.

3. San Jose 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 San Jose 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. San Jose 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.

Justus F. Calver  
Raymond R. Rice  
Frank S. Stevenson  
Robert L. ...  
Commissioners

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RAILROAD COMMISSION  
STATE OF CALIFORNIA  
APR 17 1942  
By [Signature]  
SECRETARY