

Decision No. 25708

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN BERNARDINO VALLEY TRANSIT COMPANY, substituted for Richard J. Glasscock, B. T. McKissock, J. B. Shepardson, Jesse W. Curtis, Jr., and William Guthrie, for a Certificate to operate a common carrier omnibus service between Colton and San Bernardino, California.

Application No. 24432

SUPPLEMENTAL APPLICATION OF SAN BERNARDINO VALLEY TRANSIT COMPANY, A CORPORATION.

BY THE COMMISSION:

SIXTH SUPPLEMENTAL ORDER

San Bernardino Valley Transit Company, a corporation, in its Ninth Supplemental Petition filed in the above entitled matter on August 17, 1942, reports that because of increased business it has become necessary for applicant to acquire two additional motor coaches. These were acquired on August 5, 1942 from Crown Body and Coach Corporation and are described as 1942 Model 29B, 27-passenger Ford Transit Buses, Motor No. 553248, Chassis 99T-553248, and Motor No. 553252, Chassis 99T-553252.

The total cost of the two motor coaches is reported at \$12,158.48. To pay for the two motor coaches, applicant used \$1,058.48 of its own funds, issued two thirty-day, 6% notes of the aggregate face amount of \$1,100 and executed to Crown Body and Coach Corporation a thirty-day conditional sale contract for \$10,000.

For the purpose of refunding the two notes and the conditional sale contract, applicant asks permission to issue and sell at not less than par, not exceeding twenty shares of its common stock, and to issue to the First State Bank of Rosemead, California, its note for \$10,080, payable in thirty-six equal, successive monthly installments of \$280, or more, each, beginning September 25, 1942. The \$10,080 includes principal in the sum of \$9,000 and interest on the unpaid balances at the rate of 4% per annum in the sum of \$1,080. The payment of the note will be secured by a chattel mortgage which will be a lien on the two motor coaches referred to herein. The proceeds realized through the issue of the stock and the note will be used to pay the notes and conditional sale contract executed for the purpose of acquiring the two motor coaches.

A copy of the proposed note and a copy of the proposed chattel mortgage are filed in this proceeding as Exhibit "A."

The Commission has considered applicant's request and is 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 not exceeding twenty (20) shares of stock and the issue of a \$10,080 note is reasonably required by San Bernardino Valley Transit Company for the purposes herein stated;

that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this Ninth Supplemental Petition should be granted subject to the provisions of this Sixth Supplemental Order, therefore,

IT IS HEREBY ORDERED as follows:

1. San Bernardino Valley Transit Company, may, after the effective date hereof and on or before November 1, 1942, issue and sell at not less than \$100 per share not exceeding twenty (20) shares of its capital stock, provided it use the proceeds from the sale of such stock to pay the \$1,100 face amount of notes referred to in its Ninth Supplemental Petition, and to pay in part the amount due under the conditional sale contract executed in payment for said two motor coaches.

2. San Bernardino Valley Transit Company may, after the effective date hereof and on or before November 1, 1942, issue its promissory note for the sum of not more than \$10,080 and secure the payment of said note by the execution of a chattel mortgage, said note and said chattel mortgage to be in the same form as the note and chattel mortgage filed in this proceeding as Exhibit "A," 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.

3. The proceeds realized through the issue of said note shall be used by San Bernardino Valley Transit Company to pay in part the balance due under the conditional sale contract executed in payment for said two motor coaches.

4. The authority herein granted will become effective when San Bernardino Valley Transit Company 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 Bernardino Valley Transit Company shall file with the Railroad Commission a report or reports as required by the Commission's General Order No. 24-A, which order insofar as applicable is made a part of this Sixth Supplemental Order, and shall also file with the Railroad Commission a true and correct copy of the note and of the chattel mortgage executed under the authority herein granted.

Dated at San Francisco, California, this 18th day of August, 1942.

Justin F. Gaudin
Ray H. Rice
W. H. Ball
Frank C. Fayenne
Richard Jackson
Commissioners.

