

Decision No. 36303

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

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 payment of said note, and to use the proceeds of said note for the purposes specified herein.

Application No. 25568

BY THE COMMISSION:

O P I N I O N

In this application, Fresno City Lines, Inc. asks permission to issue to The Anglo California National Bank of San Francisco, its note for the sum of \$54,000, payable in sixty equal consecutive monthly installments, plus interest at the rate of 3½% per annum, payable monthly, 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." The chattel mortgage will be a lien on the equipment hereinafter described.

Applicant reports that because of increased transportation needs in the City of Fresno and vicinity, arising

from increased war industry, tire and gasoline rationing, and a growing demand for more service to the Army Air base at Hammer Field and Army camp at Camp Pinedale, both located within a distance of eight miles from the center of Fresno, it has purchased from General Motors Truck and Coach, division of Yellow Truck and Coach Manufacturing Company, five new Yellow TG 3606 transit type, 36-passenger gasoline powered motor coaches for a total cost of \$54,960.91. This includes freight charges of \$2,332.41. It also purchased from Walter Van Dervort, former owner of the Middlefield Road Bus Lines, a Mack-International 36-passenger gasoline powered motor coach at a cost of \$7,250. All of the coaches have been delivered to Fresno City Lines, Inc. It has paid for said coaches through the use of its own funds and by the use of money borrowed from Pacific City Lines, Inc.

The payment of the \$54,000 note, which applicant asks permission to issue, will be guaranteed by Pacific City Lines, Inc. which owns all of applicant's outstanding stock.

O R D E R

The Commission having considered the requests of Fresno 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 Fresno City Lines, Inc., through the issue of the note herein authorized, is reasonably required by Fresno 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. Fresno City Lines, Inc. may, after the effective date hereof and on or before June 30, 1943, issue to The Anglo California National Bank of San Francisco, its promissory note in the sum of not exceeding \$54,000, payable in sixty 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 application as Exhibit "B."

2. Fresno City Lines, Inc. shall use the proceeds realized through the issue of said note to pay indebtedness due Pacific City Lines, Inc.

3. Fresno City Lines, Inc. may, after the effective date hereof and on or before June 30, 1943, 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.

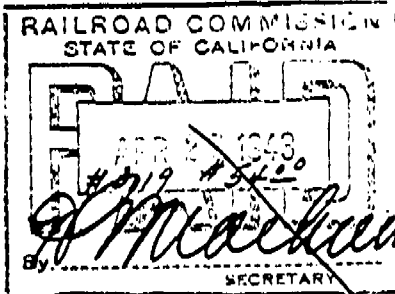
4. The authority herein granted will become effective when Fresno City Lines, Inc. has paid the fee prescribed

by Section 57 of the Public Utilities Act, which fee is Fifty-four (\$54.00) Dollars.

5. Fresno 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 purpose or purposes for which it expended the proceeds realized through the issue of said note.

Dated at San Francisco, California, this 20th day of April, 1943.

Francis L. Havenner



Justus Z. Gaerner
Richard Jackson
James D. ...
Commissioners.