

Decision No. 36716

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of A. J. CHAPIN, d/b/a North Sacramento Stage Line, to issue a note and a chattel mortgage on certain automobile equipment as security for the payment of said note.

Application No. 25881

BY THE COMMISSION:

OPINION AND ORDER

A. J. Chapin, doing business as North Sacramento Stage Line, hereinafter sometimes referred to as applicant, asks permission to issue to The Capital National Bank his installment note for \$28,561.92 and secure the payment of such note by the execution of a chattel mortgage which will be a lien on five motor buses.

Applicant is rendering service by passenger stage in general between Sacramento, North Sacramento, McClellan Field, and intermediate points, and is also providing passenger stage service between Sacramento and Fair Oaks and a project on the American River, known as the American River Hydro-Electric Damsite, and certain intermediate points.

The \$28,561.92 note proceeds will be used by applicant to pay the balance due, \$13,448.25, on the purchase price of a Standard Coach and two Chevrolet buses and to pay the cost, \$15,113.67, of two new 27-passenger Ford buses. The note is payable in 24 equal monthly installments of \$1,190.08. This includes interest calculated at 4% per annum. The principal of the note is

secured, as said, by a chattel mortgage on five motor buses, including the two new Ford motor buses. In the event of a default applicant agrees to pay the bank the difference between the amount then due on the note and the net sum which the bank will realize through the sale of the mortgaged equipment.

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 applicant through the issue of said note is reasonably required for the purposes herein stated and that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that A. J. Chapin, doing business as North Sacramento Stage Line, be, and he is hereby, authorized to issue, after the effective date hereof and on or before December 31, 1943, his promissory note in the principal amount of not exceeding \$28,561.92 and to execute a chattel mortgage to secure the payment of said note, said note and said chattel mortgage to be in substantially the same form as the note and chattel mortgage filed in this application as Exhibits C and D respectively.

IT IS HEREBY FURTHER ORDERED that A. J. Chapin, doing business as North Sacramento Stage Line, shall use the proceeds realized through the issue of said \$28,561.92 note to pay the balance due on the purchase price of the Standard Coach and the two Chevrolet buses and to pay the cost of two new 27-passenger Ford motor buses, all of which are referred to in this application.

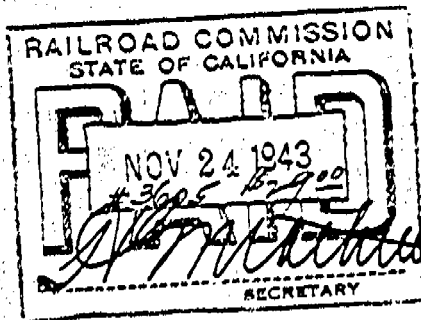
IT IS HEREBY FURTHER ORDERED that the authority herein granted to execute a chattel mortgage is subject to the condition that said authority is granted for the purpose of this proceeding only, and is granted only insofar as this Commission has juris-

diction 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.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when A. J. Chapin, doing business as North Sacramento Stage Line, has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-nine (\$29.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of the note herein authorized said A. J. Chapin, doing business as North Sacramento Stage Line, shall file with the Railroad Commission a true, correct and complete copy of the note issued and of the chattel mortgage executed under the authority herein granted, together with a statement showing the purpose for which he expended said \$28,561.92 or any lesser amount for which a note was issued.

Dated at San Francisco, California, this 23rd day of November, 1943.



Francis A. Haven
J. Baker
Justice J. Casper
Richard Kachse
Francis O. Dewey
Commissioners