

37399

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of VALLEY MOTOR LINES, INC., for authority to execute a note and a Deed of Trust securing same, in the amount of \$122,099.04, and VALLEY EXPRESS CO., an express corporation, to assume the same obligation as guarantor.

ORIGINAL

Application
No. 26292

BY THE COMMISSION:

O P I N I O N

Valley Motor Lines, Inc. asks permission to issue Bank of America National Trust and Savings Association its note for the sum of \$122,099.04, payable in 36 equal successive monthly installments of \$3,391.64 each, beginning September 7, 1944. To secure the payment of the note it asks permission to execute a chattel mortgage which will be a lien on truck equipment. A copy of the note and mortgage is filed in this application as Exhibit C. Valley Express Co. asks permission to endorse the note.

Valley Motor Lines, Inc. and Valley Express Co. are controlled by the same interests. Both are under the management of H. Frasher, who is president of both corporations.

The petition shows that Valley Motor Lines Inc. is presently indebted to the Bank of America National Trust and Savings Association in the sum of \$40,625. The company has recently purchased twenty new Fruehauf van twenty-one foot semi trailers, and ten automatic dollies at a cost of \$64,833.88.

The petition further shows that Valley Express Co. has recently purchased 5 Chevrolet tractors costing \$7,901.97. The equipment was purchased to replace old and worn out equipment.

Applicant desires to consolidate the indebtedness mentioned into a 3-year instalment note bearing interest at the rate of 5% per annum. In order that the monthly payments will be the same throughout the 3-year period, interest in the amount of \$8,738.19 is added to the indebtedness of \$113,360.85, making a total of \$122,099.04. It is for this sum that Valley Motor Lines, Inc. asks permission to issue its note. As said, Valley Express Co. asks permission to endorse the note.

O R D E R

The Commission having considered applicants' requests 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 the issue of the note herein authorized is reasonably required by Valley Motor Lines, Inc. and Valley Express Co. for the purpose of paying indebtedness and acquiring equipment and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED as follows:

1. Valley Motor Lines, Inc. may, after the effective date hereof and on or before December 31, 1944, issue to Bank of America National Trust and Savings Association its note for the sum of not exceeding \$122,099.04 and 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

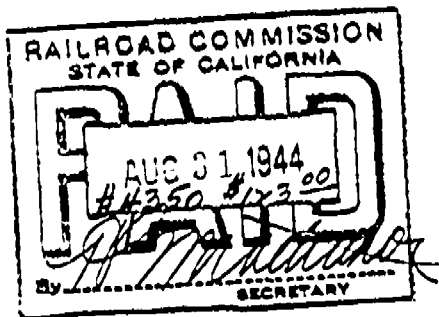
chattel mortgage on file in this application as Exhibit C. Valley Motor Lines, Inc. and Valley Express Co. shall use the proceeds of the note to pay the indebtedness and the cost of the equipment to which reference is made in the foregoing Opinion.

2. Valley Express Co. may endorse said note as guarantor.

3. Within thirty (30) days after the issue of said note, Valley Motor Lines, Inc. shall file with the Railroad Commission a copy of the note issued, and a copy of the chattel mortgage executed under the authority herein granted, together with a statement showing the purposes for which the proceeds of said note were expended.

4. The authority herein granted will become effective when Valley Motor Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$123.

Dated at San Francisco, California, this 29th day of August, 1944.



Richard Sachs
Justin F. Caseman
Francis R. Havens
Francis W. Caw
Frank H. Russell
Commissioners