

Decision No. 37581

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of MARY MARITZEN and E. B. OSTHUES, a co-partnership, doing business under the firm name and style of THE MODESTO TRANSIT COMPANY, for authorization to finance equipment used in operation of bus service.

ORIGINAL

Application No. 26484

BY THE COMMISSION:

O P I N I O N

Mary Maritzen and E. B. Osthues, a copartnership, doing business under the firm name and style of The Modesto Transit Company, are engaged in operating a bus service between the City of Modesto and Hammond General Hospital and the City of Modesto and the Modesto Municipal Airport. By Decision No. 37301, dated August 29, 1944, applicants are authorized to operate a bus service between the City of Modesto and the Vernalis Guayule project, now known as the Hammond-Vernalis Reconditioning Camp in San Joaquin County. By Decision No. 37478, dated November 21, 1944, the Commission authorized applicants to operate a bus service between the City of Modesto and South Modesto Acres.

For the purpose of improving and extending their service, applicants have recently purchased two 29-passenger 1942 Dodge buses at a total cost of \$11,400 and are engaged in rebuilding a 1938 Dodge bus at a cost of \$1,600. To pay for the new buses and the rebuilding of a bus, applicants have negotiated for a \$13,000 loan from the Anglo California National Bank, Modesto Branch. The bank is charging them \$60 plus \$979.64 for interest which added to the principal of the loan makes a total of \$14,039.64. Applicants ask permission to issue a note for \$14,039.64. The note is payable in eighteen equal, successive monthly installments of \$779.98. They will secure the payment of the note by the execution of a mortgage of chattels which will be a lien on six passenger buses. A copy of the note and a copy of the mortgage of chattels are on file in this application.

The interest on the loan and the expense should not be charged to the cost of equipment.

O R D E R

The Commission has considered applicants' 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 through the issue of said note is reasonably required by applicants for the purpose herein stated; that the expenditures for said purpose, other than the amount necessary to pay interest and loan expense, are not, in whole or in part, reasonably charge-

able to operating expenses or to income, and that this application should be granted, therefore,

IT IS HEREBY ORDERED that Mary Maritzen and E. B. Osthues, a copartnership, doing business under the firm name and style of The Modesto Transit Company, be, and they are hereby, authorized to issue, after the effective date hereof and on or before March 1, 1945, their note for the sum of not exceeding \$14,039.64, and to execute a mortgage of chattels to secure the payment of said note, said note and said mortgage of chattels to be in substantially the same form as the note and mortgage of chattels on file in this application. Applicants shall use the note proceeds, to-wit: \$13,000, to acquire and rebuild the equipment referred to in the foregoing opinion. The difference between the face amount of the note and said \$13,000 shall be applied to the payment of expense and interest on said loan.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicants, or either of them, have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said note, applicants, or either of them, shall file with the Railroad Commission a copy of the note and a copy of the mortgage of chattels executed under the authority herein granted.

Dated at San Francisco, California, this 3^d day of

January, 1945.

Richard Lachse

Justin J. Garner

Francis J. Conroy

Frank J. Lawrence

Commissioners.

