

Decision No. 37631

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the Application of STOCKTON 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 repayment of said note, and to use the proceeds of said note for the purpose specified herein.

Application
No. 26512

BY THE COMMISSION:

O P I N I O N

Stockton City Lines, Inc., hereinafter sometimes referred to as applicant, asks permission to issue to the Anglo-California National Bank of San Francisco its promissory note in the sum of \$44,000, payable in 60 equal consecutive monthly installments with interest at the rate of 2½% per annum, payable monthly. It further asks permission to secure the payment of such note by the execution of a chattel mortgage which will be a lien on five motor coaches to which reference is made hereafter. A copy of applicant's proposed note and a copy of its proposed chattel mortgage are on file in this application as Exhibits "B" and "C," respectively.

Applicant reports that in order to handle increased transportation requirements in the City of Stockton and vicinity

arising from the need by the Navy for a common carrier service to their new supply depot at Rough and Ready Island, a distance of about four miles from the center of the city, it with the approval of the Office of Defense Transportation purchased from GMC truck and Coach Division, General Motors Corporation, five new "GMC" TG 3609 transit type, 36 passenger gasoline-powered motor coaches at a total cost of \$48,993.25. This cost includes freight charges of \$2,224.80 and Federal and State taxes of \$3,313.45. To finance the purchase of the coaches applicant has made arrangements to borrow \$44,000 from the Anglo-California National Bank of San Francisco. The payment of the loan will be secured by a chattel mortgage which will be a lien on the five motor coaches, and guaranteed by Pacific City Lines, Inc., which owns all of applicant's outstanding stock.

Applicant reports the cost of its carrier operating property as of November 30, 1944, at \$208,542.18. Its depreciation reserve as of the same date is reported at \$92,119.87 and the net cost of said properties at \$116,422.31. As of November 30, 1944, it owed on said property \$10,090.93.

O R D E R

The Commission having considered applicant's request 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 applicant for the purpose herein stated;

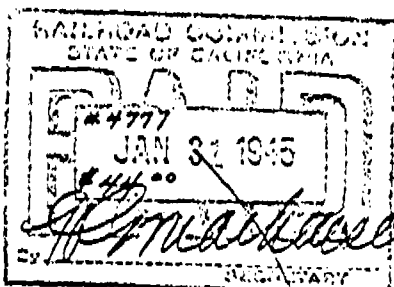
that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED that Stockton City Lines, Inc., be, and it is hereby, authorized to execute, after the effective date hereof and on or before April 1, 1945, a chattel mortgage in, or substantially in, the same form as that filed in this proceeding as Exhibit "C" and to issue a promissory note for the principal sum of not exceeding \$44,000 in, or substantially in, the same form as that filed in this proceeding as Exhibit "B." The proceeds realized through the issue of said note shall be used by applicant to finance, in part, the purchase of said five motor coaches.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Stockton City Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Forty-four (\$44.00) Dollars.

IT IS HEREBY FURTHER ORDERED that Stockton City Lines, Inc. shall file with the Railroad Commission within thirty (30) days after their execution and delivery a copy of the chattel mortgage and a copy of the note executed and delivered under the authority herein granted, together with a statement showing the purpose for which it expended the \$44,000.

Dated at San Francisco, California, this 23rd day of January, 1945.



Richard Kachur
Justus P. Cravens
Edward J. ...
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 Commissioners