

ORIGINAL

Decision No. 37680

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
GIBSON LINES, a corporation, for an
order authorizing it to issue a note
secured by a mortgage.

Application
No. 26529

BY THE COMMISSION:

O P I N I O N

Gibson Lines, a corporation, hereinafter sometimes referred to as applicant, asks permission to issue to the Merchants National Bank of Sacramento its promissory note in the sum of \$70,000, payable in forty-eight equal consecutive monthly installments with interest at the rate of 5% per annum, payable monthly on the remaining balance for the purpose of paying, in part, the cost of eight new buses to which reference will be made hereafter. It further asks permission to secure the payment of such note by the execution of a mortgage of chattels which will be a lien on said eight buses. A copy of applicant's proposed note and mortgage are on file in this application as Exhibit "B."

Applicant reports that in order to place itself in a position to render adequate and efficient service to the public it, with the approval of the Office of Defense Transportation, purchased from Flixible Company eight twenty-nine passenger buses at a total cost of \$87,642.88. This cost includes freight charges of \$5,871.20 and Federal excise and State sale taxes of \$3,489.28. To finance the purchase of the buses applicant has made arrangements to borrow \$70,000 from the Merchants National Bank of Sacramento. The payment of the loan will be secured by a mortgage of chattels which will be a lien on the eight buses.

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 as follows:

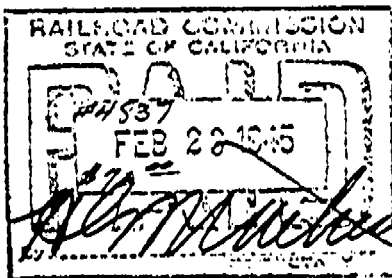
1. Gibson Lines, a corporation, may execute after the effective date hereof and on or before September 1, 1945, a

mortgage of chattels in substantially the same form as that filed in this proceeding as Exhibit "B" and may issue a promissory note for the principal sum of not exceeding \$70,000 in substantially 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 eight buses.

2. The authority herein granted will become effective when Gibson Lines, a corporation, has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Seventy (\$70.00) Dollars.

3. Gibson Lines, a corporation, 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 \$70,000.

Dated at San Francisco, California, this 20th day of February, 1945.



Harold Oulson
Justice F. Casper
Richard Kach
Frank W. ...
Grant ...
Commissioners