

Decision No. 38372

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)	
READER TRUCK LINES, a corporation, for	:	
authority under Section 52, P. U. Act)	Application
to borrow money and to execute a long	:	No. 26894
term promissory note secured by chattel)	
mortgages on equipment.	:	
-----)	

BY THE COMMISSION:

OPINION AND ORDER

Reader Truck Lines, a corporation engaged in the transportation of property by motor vehicle service between Los Angeles and the Los Angeles Harbor District and other points, has applied to the Railroad Commission for authority to execute a chattel mortgage and to issue a note in the principal amount of \$15,000, payable in thirty-six monthly installments of \$420 plus interest at the rate of 7% per annum on deferred balances, for the purpose of paying outstanding indebtedness. A copy of the chattel mortgage has been filed in this proceeding as Exhibit "A".

It appears that during 1943 and 1944 the company purchased nine trucks and trailers for the total sum of \$17,364.99 and that it financed the cost, in part, through the issue, during March, 1944, of a note for \$11,800 payable within a period of twelve months. Thereafter, in July 1944, it increased the loan to \$15,000, payable over a period of three years.

The company did not obtain from this Commission authority to issue a long term note. It appears, however, that its failure to do so was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. When the necessity of obtaining the authorization of this Commission was called to applicant's attention it filed the present application.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that applicant should be authorized to execute a new chattel mortgage and note in lieu of those executed in July, 1944, without the consent of the Commission; and that the money, property or labor to be procured or paid for through the issue of such note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Reader Truck Lines may, after the effective date hereof and on or before December 31, 1945, execute a chattel mortgage or mortgages in, or substantially in, the same form as those filed in this proceeding as Exhibit "B", and issue a note in, or substantially in, the same form as that filed in this proceeding as Exhibit "A", in the principal amount of not exceeding \$15,000, in lieu of the chattel mortgage and note now outstanding, executed without an order from this Commission, for the purpose of financing the cost of equipment.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicant has paid the

minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

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

Dated at San Francisco, California, this 6th day of November, 1945.

Harold Anderson

Justus F. Casper

Frank W. Cox

James F. Farrell
Commissioners.

