

Decision No. 38752

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
A. J. CHAPIN, d/b/a NORTH SACRAMENTO
STAGE LINE, to issue a note and a
chattel mortgage on certain automotive
equipment as security for the payment
of said note.

ORIGINAL
Application
No. 27252

OPINION AND ORDER

This is an application for an order of the Railroad Commission authorizing A. J. Chapin to execute a mortgage of chattels and to issue a note in the principal amount of \$45,811.20 for the purpose of refunding outstanding indebtedness.

The application shows that A. J. Chapin, operating under the name and style of North Sacramento Stage Line, is engaged in rendering a general passenger stage service between Sacramento, North Sacramento, McClelland Field and intermediate points and between Sacramento and Fair Oaks and a project on the American River known as the American River Hydro-Electric Dam-site and certain intermediate points. His financial reports to the Commission show his gross revenues at \$197,129.85 in 1943; at \$260,137.90 in 1944; and at \$331,217.10 in 1945.

By Decision No. 37313, dated September 5, 1944, in Application No. 26313, the Commission authorized A. J. Chapin to execute a mortgage of chattels and to issue a note for \$66,820.62 to pay indebtedness and to finance the cost of new buses, said note to include interest of \$4,949.68 and to be payable in twenty-four equal consecutive monthly installments of \$2,784.20.

Later, by Decision No. 37970, dated June 12, 1945, in Application No. 26761, the Commission authorized applicant to execute a mortgage of chattels and to issue a note for \$30,658.20 to finance the cost of new buses, said note to include prepaid interest of \$2,787.10 and to be payable in thirty monthly installments of \$1,021.94.

Applicant now reports that the note authorized by Decision No. 37313 has been reduced to \$23,127.64 and that authorized by Decision No. 37970, to \$24,526.56; the two amounts aggregating \$47,654.20.

It is applicant's desire to consolidate the two notes into one note and to that end he has made arrangements to issue to The Capital National Bank of Sacramento a new note for \$45,811.20, payable in monthly installments of \$1,908.82 commencing one month after date of the note and continuing to February, 1948, at which time the entire unpaid balance of the note shall be due and payable. The difference between the \$47,654.20 and the \$45,811.20 represents interest charged in advance and therefore is eliminated. The new note includes interest calculated at four percent. A copy of the proposed note is filed in this proceeding as Exhibit "A" and a copy of the proposed mortgage of chattels as Exhibit "B".

The Commission has considered the matter and is of the opinion that a public hearing is not necessary; that the request of applicant should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein and that the expenditures for said purpose are not, in

whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. A. J. Chapin, doing business under the name and style of North Sacramento Stage Line, may, on or before April 30, 1946, execute a mortgage of chattels and issue a note in the principal amount of not exceeding \$45,811.20 for the purpose of paying the outstanding indebtedness referred to herein, said mortgage of chattels and note to be in, or substantially in, the same form as the mortgage of chattels and note filed in this proceeding as Exhibits "B" and "A", respectively.

2. A. J. Chapin shall file with the Commission a report, or reports, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 12th day of March, 1946.

Harold Ruden
James F. Powell
Harold H. Hill
Commissioners