

Decision No. 39009

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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)
 proceeds of said note for the purpose)
 specified herein.)
 -----)

ORIGINAL

Application
No. 27519

OPINION AND ORDER

Stockton City Lines, Inc., a corporation engaged in the operation of motor vehicles for the transportation of passengers in and about the City of Stockton, reports that in order to meet transportation requirements and to improve its service, it purchased from G.M.C. Truck & Coach Division, General Motors Corporation, five new "GMC" TD 3609 transit type 36 passenger Diesel powered motor coaches for a total cost of \$57,603.25, which includes freight charges of \$2,224.80.

In order to finance, in part, the purchase price the company proposes to borrow from the Oakland Main Office of the Bank of America National Trust & Savings Association the sum of \$46,000 to be represented by a note payable in sixty equal consecutive monthly instalments, plus interest at the rate of 2% per annum. The payment of the note will be secured by a chattel mortgage, in the form set out in Exhibit "D" filed in this proceeding, covering the five new motor coaches. In addition, it will be guaranteed by Pacific City Lines, Inc., the owner of all

the outstanding stock of Stockton City Lines, Inc.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that Stockton City Lines, Inc., should be authorized to execute a chattel mortgage and to issue a note, as herein provided, that the money, property or labor to be procured or paid for through the issue of said note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore

IT IS HEREBY ORDERED as follows:

1. Stockton City Lines, Inc., after the effective date hereof and on or before July 31, 1946, may execute a chattel mortgage in, or substantially in, the same form as that filed in this proceeding as Exhibit "D", and may issue a promissory note in the principal amount of \$46,000 payable in sixty equal consecutive monthly installments plus interest at the rate of 2% per annum, for the purpose of financing in part the cost of the five motor coaches referred to herein.

2. 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-six (\$46.00) Dollars.

3. Stockton City Lines, Inc., shall file with the Commission a report, or reports, of the issue of the note herein authorized and of the disposition of the proceeds, as required by the Commission's General Order No. 24-A which order, insofar as applicable, is made a part of this order.

Dated at San Francisco, California, this 2nd
day of May, 1946.

L. Harold Anderson
Justice J. Calmes
Thomas A. Brown
Sen. H. S. Long
Harold P. Hill
Commissioners

