

Decision No. 34307

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
A. J. CHAPIN, dba NORTH SACRAMENTO
STAGE LINE, to issue a note and a
chattel mortgage on certain auto-
motive equipment as security for
the payment of said note.

Application
No. 27739

ORIGINAL

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 \$62,400.03.

The application shows that A. J. Chapin, operating under the firm 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 Damsite and certain intermediate points.

In order to pay indebtedness and to equip his operations, it appears that A. J. Chapin, under authority granted by Decision No. 38752, dated March 12, 1946, issued a note, secured by a mortgage of chattels, in the principal amount of \$45,811.20 payable over a period of two years. Thereafter, he acquired three additional units of equipment and in doing so assumed the payment of indebtedness in the total amount of \$18,673.92. The note issued under authority granted by Decision No. 38752 has

been reduced to \$43,152.90 and the other indebtedness has been reduced to \$13,749.28.

Applicant now desires to consolidate his outstanding indebtedness and to borrow additional sums. To these ends he has made arrangements to obtain from The Capital National Bank the sum of \$62,400.03 to be represented by a note payable in the amount of \$5,672.73 on the 15th day of September, 1946, and \$5,672.73 on the 15th day of each successive month for nine months, and \$5,672.73 on July 23, 1947, payment to be secured by a mortgage of chattels covering twenty-eight units of equipment. The items making up the total principal amount are reported as follows:-

Unpaid balance on note authorized by Decision No. 38752	\$ 43,152.90
Unpaid balances of indebtedness assumed	13,749.28
Cash	6,131.12
Prepaid interest	<u>2,400.03</u>
Total	\$ 65,433.33
Less prepaid interest included in indebted- ness to be paid	<u>3,033.30</u>
Balance	<u>\$ 62,400.03</u>

The additional cash received through the refinancing operation is reported necessary for use as working capital.

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 by applicant for the purposes specified herein, 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 October 31, 1946, execute a mortgage of chattels and issue a note in the principal amount of not exceeding \$62,400.03 for the purpose of paying the outstanding indebtedness referred to herein, and of providing working capital, 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 when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act.

Dated at San Francisco, California, this 13th day of
August, 1946.

Harold Kula
Justin F. Cooney
Frank O. ...
Irving ...
A. J. ...
Commissioners

