

ORIGINAL

Decision No. 39594

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
VALLEY MOTOR LINES, INC. for auth-	:	
ority to execute a note in the amount	)	
of \$46,017.60, and a mortgage of	:	Application
chattel securing same; and VALLEY EX-	)	No. 27954
PRESS CO. to assume the same obligation	:	
as a guarantor.	)	
-----	:	

OPINION AND ORDER

This is an application for an order of the Railroad Commission authorizing Valley Motor Lines, Inc. to execute a mortgage of chattels and to issue a note for \$46,017.60 and authorizing Valley Express Co. to endorse said note as guarantor.

It appears that both corporations are controlled through stock ownership by the same interests and that both are under the general management of H. Fresher, as president. Valley Motor Lines, Inc. is engaged in the transportation of property as a highway common carrier while Valley Express Co. is engaged as an express corporation operating over the lines of Valley Motor Lines, Inc. and of other carriers.

The application shows that during the past year Valley Motor Lines, Inc. has purchased, for \$61,572.95, twenty-six units of automotive equipment, as set forth in Exhibit "C" attached to the application, and that it financed the cost in part through the issue of one year notes of which there is presently outstanding an unpaid balance of \$43,739.45 which now is about to fall due.

The company now desires to refinance the outstanding indebtedness and to that end has made arrangements to issue a new note to Bank of America National Trust & Savings Association in the principal amount of \$46,017.60, payable in the amount of \$1,917.40 on December 15, 1946, and \$1,917.40 on the fifteenth day of each and every month thereafter up to December 15, 1948, payment to be secured by a mortgage of chattels covering the twenty-six pieces of equipment. The principal amount of the new note includes interest of \$2,278.15, being computed at the rate of five percent per annum on unpaid balances over a period of two years.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and 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, therefore,

IT IS HEREBY ORDERED as follows:

1. Valley Motor Lines, Inc., after the effective date hereof and on or before December 31, 1946, may execute a mortgage of chattels and issue a note in the principal amount of \$46,017.60, said mortgage of chattels and said note to be in, or substantially in, the same form as the mortgage of chattels and the note filed in this proceeding as Exhibit "E" and Exhibit "D", respectively, for the purpose of refinancing outstanding indebtedness referred to herein.

2. Valley Express Co. may endorse said note as guarantor.

3. Not later than thirty (30) days after the execution of the mortgage of chattels and the issue of the note herein authorized, Valley Motor Lines, Inc. shall file with the Commission a true and correct copy of each instrument as finally executed, and Valley Express Co. shall file a true and correct copy of the form by which it guaranteed the payment of said note.

4. The authority herein granted will become effective when Valley Motor Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Forty-seven (\$47.00) Dollars.

Dated at San Francisco, California, this 4<sup>th</sup> day of November, 1946.

Harold P. Kula  
Justice F. G. Quinn  
Justice J. H. Quinn  
Justice J. H. Quinn  
R. E. Johnson  
 Commissioners

