

ORIGINAL

Decision No. 39656

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 LINES, ) to issue a note and a	)	Application
chattel mortgage on certain automotive	:	No. 27958
equipment as security for the payment	)	
of said note.)	:	
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OPINION AND ORDER

A. J. Chapin, an individual doing business under the firm name and style of North Sacramento Stage Lines, has been engaged in the operation of a passenger stage line between Sacramento, North Sacramento, McClellan Field and intermediate points over various routes, 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 Application No. 27940, A. J. Chapin reports that he has entered into an agreement to purchase from Forrest O. Johnson and Katherine C. Johnson certain operative rights and properties used by them in the operation of a passenger stage line between West Sacramento, Eroderick, Bryte, Westgage, Woodland, Sacramento and McClellan Field and intermediate points, for the sum of \$50,000, which purchase price he has agreed to meet through the assumption of indebtedness in the amount of approximately \$30,000 and the payment of cash in the amount of approximately \$20,000. To provide in part the cash requirement under the agreement, and to provide working capital, he proposes to borrow the sum of \$19,000 from the Capital National Bank in Sacramento

and to issue his note in the principal amount of \$20,520, which amount includes interest at the rate of 4% per annum.

The present application shows that A. J. Chapin has caused to be organized a corporation known as the North Sacramento Transit Lines, of which he is the principal stockholder, and that he now is engaged in the process of transferring to such corporation the rights and properties he has been operating under the name of North Sacramento Stage Lines. (1) It appears from Application No. 27940 that the agreement to purchase the rights and properties of Forrest O. Johnson and Katherine C. Johnson has been assigned to the corporation and it is reported in the present proceeding that it is intended for the corporation to assume the payment of the note which is the subject matter herein.

The proposed note, as stated, will be in the principal amount of \$20,520 and will be repayable in monthly installments of \$855 beginning on the 10th day of December, 1946, and continuing thereafter for twenty-three successive months. Its payment will be secured by a mortgage of chattels covering eight units of equipment. A copy of the proposed note has been filed as Exhibit "A" in this proceeding and a copy of the proposed mortgage of chattels as Exhibit "B".

The transfer of the rights and properties of the Johnsons to the corporation will be authorized in the decision on

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(1) By Decision No. 39407, dated September 10, 1946, in Application No. 27561, the Commission authorized A. J. Chapin to transfer his rights and properties to North Sacramento Transit Lines and authorized said corporation to issue \$50,000 of stock in payment therefor.

Application No. 27940. In the present proceeding, the Commission has considered the matter of the issue of the note and the execution of the mortgage of chattels and the assumption thereof by the corporation, and is of the opinion that a public hearing is not necessary, that an order should be entered accordingly, 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. A. J. Chapin, after the effective date hereof and on or before March 1, 1947, may issue a note in the principal amount of \$20,520 and may execute a mortgage of chattels in, or substantially in, the same form as the note and the mortgage of chattels filed in this proceeding as Exhibit "A" and Exhibit "B" respectively, and North Sacramento Transit Lines may assume the payment of such note and mortgage of chattels, for the purpose of providing in part the purchase price of the operative rights and properties of Forrest C. Johnson and Katherine C. Johnson, and of providing working capital.

2. A. J. Chapin shall file with the Commission a report 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.

3. The authority herein granted will become effective twenty (20) days from the date hereof, provided that A. J. Chapin has paid the minimum fee prescribed by Section 57 of the

Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

Dated at San Francisco, California, this 26<sup>th</sup> day  
of November, 1946.

Harold P. Kula  
Justin J. Cicenas  
Thomas J. Clark  
John A. Powell  
R. E. [unclear]  
 Commissioners

52500  
 RAILROAD COMMISSION  
 STATE OF CALIFORNIA  
**PAID**  
 R-7133  
 DEC 16 1946  
 By: [Signature]  
 SECRETARY