

ORIGINAL

Decision No. 42656

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of VALLEY MOTOR LINES, INC., a
corporation, for authority to
execute a note in the amount
of \$40,000.00, and a Mortgage
of Chattel securing the same.

Application
No. 30851

O R D E R

Valley Motor Lines, Inc. has applied to the Commission for permission to execute a mortgage of chattels and to issue a note in the principal amount of \$40,000 for the purpose of refunding outstanding indebtedness. The proposed note will be issued to Fruehauf Trailer Company and will be payable in installments of \$2,000 on the 15th day of January, 1950, and thereafter on the 15th day of each successive month for 19 months, together with interest at the rate of 5½% per annum.

A copy of the proposed note is on file in this application as Exhibit C and a copy of the proposed mortgage of chattels as Exhibit D.

The company is engaged in business as a highway common carrier in California. On December 20, 1948, it issued its note in the amount of \$62,123.35 in favor of Fruehauf Trailer Company to pay for equipment. It has paid \$22,123.35 on the principal amount, leaving a balance of \$40,000 which became due on December 18, 1949.

The Commission has considered the application of the company to refund the unpaid balance and is of the opinion that a public hearing thereon is not necessary, that the request of the company should be granted, 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 and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

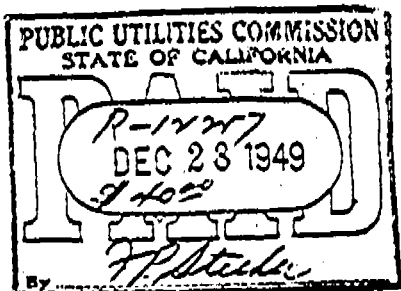
IT IS HEREBY ORDERED as follows:

1. Valley Motor Lines, Inc., after the effective date hereof and on or before February 28, 1950, may execute a mortgage of chattels, in substantially the same form as that filed in this proceeding as Exhibit D, and may issue a promissory note in the principal amount of \$40,000, in substantially the same form as that filed in this proceeding as Exhibit C, for the purpose of paying and refunding outstanding indebtedness of like amount.

2. Applicant shall file with the Commission a report as required by 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 Valley Motor Lines, Inc., has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$40.00.

Dated at San Francisco, California, this 27th day of December 1949.



R. F. [Signature]
Justice F. [Signature]
[Signature]
[Signature]
Commissioners