

ORIGINAL

Decision No. 44704

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PEERLESS STAGES, INCORPORATED, a
Corporation, and Bank of America
National Trust & Savings Association,
a national banking association, for
authority to execute a promissory
note and chattel mortgage.

Application
No. 31680

OPINION AND ORDER

This is an application for an order of the Commission authorizing Peerless Stages, Incorporated, to execute a mortgage of chattels and to issue a promissory note in the principal amount of \$84,744.72.

The application shows that Peerless Stages, Incorporated, is engaged in the business of operating passenger stage routes in the counties of Alameda, San Mateo, Santa Clara and Santa Cruz. Under authority granted by Decision No. 42250, dated November 23, 1948, in Application No. 29819, it executed a mortgage and issued a promissory note in the principal amount of \$82,281.60, of which there remains unpaid the sum of \$37,853.13. Applicant reports that it now desires to borrow from Bank of America National Trust & Savings Association the sum of \$80,000 for the purpose of paying the unpaid balance on the present note and of financing in part the purchase price reported at \$45,033.66, of 2 - 1950 G.M.C. passenger buses which are said to be necessary to replace old equipment.

The sum to be thus borrowed will be represented by a note in the total amount of \$84,744.72 (including interest at the rate of 3-3/4% per annum for a three year period) payable in 36

equal successive monthly installments of \$2,354.02. A copy of the proposed form of note has been filed with this application as Exhibit A, and a copy of the proposed form of mortgage of chattels securing payment of said note, as Exhibit B.

The Commission has considered the application and is of the opinion 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 herein authorized is reasonably required by applicant for the purposes indicated herein and that the expenditures for such purposes, except for interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

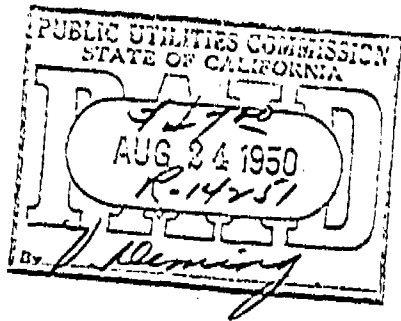
IT IS HEREBY ORDERED as follows:

1. Peerless Stages, Incorporated, after the effective date hereof and on or before December 31, 1950, may issue a promissory note in the principal amount of not exceeding \$84,744.72 and may execute a mortgage of chattels for the purpose of paying outstanding indebtedness and of financing in part the purchase price of new equipment, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B respectively.

2. Peerless Stages, Incorporated, 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 Peerless Stages, Incorporated has paid the fee prescribed by Section 57 of the Public Utilities Act.

Dated at San Francisco, California, this 22nd day of August, 1950.



R. Z. Johnson
Justus F. Galvin
Clayton S. Powell
Harold A. Hula
Herbert H. Potter
Commissioners