

ORIGINAL

Decision No. 49986

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
STERLING TRANSIT COMPANY, INC., and	:	
MEYER FRANKEL and SARA FRANKEL,)	
Husband and Wife, for Authorization	:	Application
to Exchange Real Property, and of)	No. 35369
STERLING TRANSIT COMPANY, INC., for	:	
Authorization to Borrow Money.)	
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O P I N I O N

Sterling Transit Company, Inc., applicant herein, is a California corporation engaged in business as a highway common carrier between San Francisco, Los Angeles and San Diego, and certain intermediate points. In this application it seeks authority to exchange its present terminal property in Los Angeles County for a larger plot of land and to execute a deed of trust and issue a note in the principal amount of not exceeding \$60,000 to finance the construction of a new truck terminal on the property to be acquired.

The carrier desires to execute an exchange agreement with Meyer Frankel and Sara Frankel. The escrow instructions filed in this proceeding as Exhibit A show that the agreed valuation of the properties to be transferred by Sterling Transit Company, Inc. to the Frankels is \$45,000 and of the properties to be acquired by Sterling Transit Company, Inc. from the Frankels is \$50,000, Sterling Transit Company, Inc. paying the difference of \$5,000 in cash.

The application shows the carrier's present terminal in Los Angeles County is not sufficiently large to permit the most efficient conduct of its operations, but the approximately five-acre tract which it will obtain will provide ample space for the

construction of a modern and efficient terminal. In order to finance the construction of the new truck terminal it proposes to execute a deed of trust on the new property and to issue to Bank of America National Trust and Savings Association a promissory note in the principal amount of not exceeding \$60,000, payable in equal monthly installments over a period of not exceeding ten years, bearing interest at the rate of 5-3/4% per annum on the monthly decreasing balances. Pending completion of the new terminal, the carrier will continue to use its present terminal facilities at a rental from the Frankels at the rate of \$500 per month.

Upon the basis of the verified application we are of the opinion that the proposed transfer will not be adverse to the public interest and that an order should be entered approving the transaction. The action taken, however, shall not be construed to be a finding of the value of the property herein authorized to be transferred.

ORDER

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by Sterling Transit Company, Inc. 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. Sterling Transit Company, Inc. may transfer to Meyer Frankel and Sara Frankel, on or before December 31, 1954, the real

property located in Los Angeles County and referred to in this application, such transfer to be made in accordance with the terms and conditions set forth in this proceeding.

2. Sterling Transit Company, Inc., on or before December 31, 1954, may issue its promissory note in the principal amount of not exceeding \$60,000 for the purpose set forth in this application, and may execute a deed of trust to secure its payment, such note and deed of trust to be in, or substantially in, the same form as the note and deed of trust filed in this proceeding as Exhibit B and Exhibit C, respectively.

3. Sterling Transit Company, Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective when Sterling Transit Company, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$60.00.

Dated at San Francisco, California, this 4th day of May, 1954.

John E. McKel
President

Justice J. Calves

Samuel P. Tolson

Donne Roggins

Commissioners

