

ORIGINAL

Decision No. 50188

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,	:	Application
a national banking association, for)	No. 35495
authority to execute a promissory	:	
note and chattel mortgage, under Section)	
52½ of the Public Utilities Act.	:	
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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 \$45,237.60.

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. The application shows that in September of 1953 it purchased from General Motors Corporation two new 41-passenger coaches at a total cost of \$62,285.16 in order to replace old equipment and that it financed the purchase with moneys borrowed from Bank of America National Trust and Savings Association on a short-term loan. Applicant reports that it has reduced the amount of the indebtedness to \$45,237.60 and that it now desires to refinance the unpaid balance and to extend the time for payment through the issue of a new note.

The new note will be in the principal amount of \$45,237.60 and will be payable in 36 equal successive monthly installments of \$1,256.60 with interest at the rate of 5% per annum. 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 a mortgage of chattels securing

the 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 purpose indicated herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

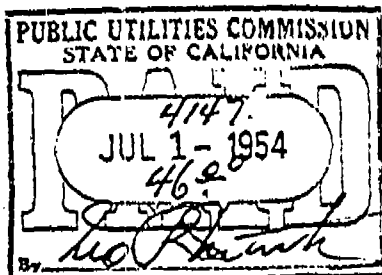
IT IS HEREBY ORDERED as follows:

1. Peerless Stages, Incorporated, after the effective date hereof and on or before December 31, 1954, may issue a promissory note in the principal amount of not exceeding \$45,237.60 and may execute a mortgage of chattels for the purpose of paying outstanding indebtedness, 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, or reports, 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 applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$46.00.

Dated at San Francisco, California, this 29 day of June, 1954.



John L. Mitchell
President
Justus F. Caswell
W. Eugene Duggins

Commissioners