

**ORIGINAL**

Decision No. 54700

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of STERLING TRANSIT COMPANY, INC.  
a corporation, for an order  
authorizing the issuance of a  
promissory note and deed of trust.

Application No. 38889

O P I N I O N

Sterling Transit Company, Inc., has filed this applica-  
tion for authorization to execute a deed of trust and to issue a  
promissory note in the principal amount of \$15,000.

Applicant is a highway common carrier of general commodi-  
ties, with certain exceptions, between San Francisco, Los Angeles  
and San Diego, and between San Francisco and Los Angeles, on the  
one hand, and Fresno and Bakersfield, on the other hand.  
Applicant reports that its present terminal facilities in the  
San Francisco Bay Area are inadequate and that it has made arrange-  
ments to purchase, for \$80,000, a parcel of land located at 1651  
Aurora Drive, San Leandro, which it contemplates improving with  
modern dock and terminal facilities.

Presently, applicant has a loan of \$4,000 outstanding  
against its Oakland terminal. It proposes to refinance its  
indebtedness and to obtain \$11,000 of new money through the issue  
of a note to Bank of America National Trust and Savings Association  
in the principal amount of \$15,000, payable in monthly installments  
of \$250, with interest at the rate of 6 per cent per annum, payments

to be secured by a deed of trust covering real property in Alameda County. Applicant proposes to use the \$11,000 of new money to finance, in part, the purchase price of the real property referred to in this application and to meet the remainder of such price with its treasury funds.

Financial statements filed with the Commission show that applicant's operations have been conducted at a profit. For the nine months ended September 30, 1956, it has reported operating revenues of \$1,311,332 and net profit of \$95,643. It has reported total assets, as of September 30, in the amount of \$855,750, of which \$463,270 has been financed with proprietary capital and the balance with long-term obligations and current and other liabilities. Its current position as of the date of the balance sheet included current assets of \$189,858 as compared with current liabilities of \$70,291.

From a review of the application and of the financial statements, it appears that applicant will have need for external funds and we are of the opinion that the money, property or labor to be procured or paid for by the issue of the \$15,000 note covered by this application is reasonably required by applicant for the purposes indicated herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

An ex parte order will be entered granting applicant's request.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Sterling Transit Company, Inc., may issue a note in the principal amount of \$15,000 and may execute a deed of trust to secure its payment, which note and deed of trust shall be in, or substantially in, the same forms as those filed in this proceeding as Exhibit A and Exhibit B, respectively. The proceeds to be obtained through the issue of the note shall be used to refinance outstanding indebtedness and to finance, in part, the cost of property as set forth in this application.

2. Sterling Transit Company, Inc., shall file 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 Sterling Transit Company, Inc., has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at Los Angeles, California, this 16<sup>th</sup> day of March, 1957.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners

