

ORIGINAL

Decision No. 55412

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 authoriz-	)	Application No. 39318
ing the issuance of a promissory	)	
note and deed of trust.	)	

OPINION AND ORDER

Sterling Transit Company, Inc., applicant herein, is a highway common carrier of general commodities, 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. In this application it seeks an order of the Commission authorizing it to execute a deed of trust and to issue a promissory note in the principal amount of \$60,000.

Presently, applicant has a loan of \$20,000 outstanding against its Montebello terminal. It proposes to refinance such indebtedness and to obtain \$40,000 of new money through the issuance of a note to Bank of America National Trust and Savings Association in the principal amount of \$60,000, payable in monthly installments of \$1,000, with interest at the rate of six percent per annum, payments to be secured by a deed of trust covering real property in the City of Montebello. Applicant proposes to use the \$40,000 of new money to finance, in part, the cost of constructing terminal facilities on real property which it acquired recently in the City of San Leandro.

Financial statements filed with the Commission show that applicant has been conducting its operations at a profit.

For the six months ended June 30, 1957, it has reported operating revenues of \$1,004,410 and a net profit of \$71,458. It has reported total assets at June 30, 1957, in the amount of \$1,077,207, of which it has financed \$503,864 with equity capital and the balance with long-term obligations and current and other liabilities. Its current position at the date of the balance sheet includes current assets of \$204,810 as compared with current liabilities of \$104,185.

The Commission has considered this application and is of the opinion that a public hearing is not necessary, that the application should be granted, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes are 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., on and after the effective date hereof and on or before December 31, 1957, may execute a deed of trust and may issue a note in the principal amount of not exceeding \$60,000 for the purposes set forth in this application, such deed of trust and note to be in, or substantially in, the same form as those filed in this proceeding as Exhibit B and Exhibit A, respectively.
2. 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.

3. 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 \$40.

Dated at San Francisco, California, this 20<sup>th</sup> day of AUGUST, 1957.

John E. Hutchins  
President  
William J. ...  
R. ...  
C. ... Fox

Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
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