

**ORIGINAL**

Decision No. 59098

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
THOMAS A. REILLEY, Executor of the )	
Estate of H. F. REILLEY, deceased, )	
doing business as REILLEY TRUCK )	Application No. 41468
LINE for Permission to Execute )	
Promissory Notes and a Chattel )	
Mortgage. )	

OPINION AND ORDER

Thomas A. Reilley, Executor of the Estate of H. F. Reilley, deceased, doing business as Reilley Truck Line, has filed this application for authorization to execute a chattel mortgage and to issue two notes, one in the face amount of \$20,000 and the other in the face amount of \$55,224.

Applicant is engaged in motor vehicle transportation generally between the San Francisco Bay area and Sacramento, Stockton and Fresno and holds a certificate of public convenience and necessity granted by the Commission authorizing operation as a highway common carrier. He reports that as of August 31, 1959, he was indebted in the amount of \$30,363.25 under conditional sales contracts for the acquisition of equipment and that he now desires to refinance these obligations and to obtain additional funds to liquidate other items of indebtedness, to improve dock facilities and to augment his working cash.

To this end, applicant has made arrangements to borrow not to exceed \$75,224 from Valley Morris Plan, the borrowing to be represented by a three-year note in the face amount of \$20,000, with

simple interest at 9%, and by an installment note in the face amount of \$55,224 including interest of \$7,224 computed at a 5% discount rate, plus service charge, the face amount being payable in monthly installments of \$1,534.

A review of applicant's financial reports shows that in 1958, the line developed operating revenues of \$376,861 and net income, before depreciation, of \$31,709, and during the first eight months of 1959, operating revenues of \$266,948 and net income, before depreciation, of \$22,909. The proposed refinancing and additional borrowing will call for installment payments aggregating \$18,408 annually, with final payment three years after date and will extend, over the period of three years, the time for payment of the conditional sales contracts now specified as on or before August 15, 1960.

Upon a full consideration of this matter, we are of the opinion and so find, that a public hearing is not necessary; that the issue of the notes will not interfere with applicant's service to the public; that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein; and that such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income; NOW THEREFORE,

IT IS HEREBY ORDERED as follows:

1. Thomas A. Reilley, Executor of the Estate of E. F. Reilley, deceased, on and after the effective date hereof and on or before December 31, 1959, may execute a chattel mortgage and may issue two notes in the aggregate face amount of not to exceed

\$75,224, for the purposes set forth in this application, such mortgage and notes to be in, or substantially in, the same form as those filed in this proceeding as Exhibits B, C and F.

2. Applicant 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 \$76.

Dated at San Francisco, California, this 6th day of October, 1959.

[Signature] President  
[Signature]  
[Signature]

Commissioners  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
17133  
OCT 8 1959  
BY