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Decision No. _____

ORIGINAL

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. 46100
Filed January 15, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Sterling Transit Company, Inc., applicant herein, to execute a deed of trust and to issue an \$85,000 note.

Applicant is a highway common carrier engaged in the transportation of commodities, with certain exceptions, generally between San Francisco, Sacramento, Los Angeles, San Diego and El Centro. Pursuant to authority granted by Decision No. 55590, dated September 24, 1957, in Application No. 39415, the company executed a deed of trust encumbering its San Leandro terminal real property and issued to Central Valley National Bank a \$75,000 note bearing interest at the rate of 6-1/2% per annum, on which the unpaid balance at November 30, 1963, is reported at \$30,500.

For the purposes of refinancing said \$30,500 balance and of obtaining \$54,500 of additional funds for working capital, applicant proposes to execute a new deed of trust covering its San Leandro terminal real property and to issue an \$85,000 note

in favor of Bank of America National Trust and Savings Association, with principal payable in 100 monthly installments of \$850 each, together with interest at the rate of 6% per annum on decreasing balances of principal. As an indication of need for more working capital, the company reports total current assets amounting to \$260,852.69 at November 30, 1963, as compared with corresponding total current liabilities of \$403,606.77.

The Commission has considered this matter and finds that: (1) the proposed indebtedness is for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Sterling Transit Company, Inc., on or after the effective date hereof and on or before May 31, 1964, for the purposes specified in this proceeding, may issue a note in the principal amount of not to exceed \$85,000, and may execute a deed of trust, which note and deed of trust shall be in the same form, or in substantially the same form, as those attached to the application as Exhibit A and Exhibit B, 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. This order shall become effective when Sterling Transit Company, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$55.

Dated at San Francisco, California, this 28th day of JANUARY, 1964.

William L. Dennis
 President

John H. Hatch

Charles W. Regan

George T. Grover

Fredrick B. Hallock
 Commissioners

PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA

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By *[Signature]*