

LRA

Decision No. 21907

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

JOSEPH BARRERE, INC.,

for permission to issue notes for
\$19,764.12; and to execute a
mortgage.

Application No. 15479.

Joseph Barrere, for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding as amended at the hearing the Railroad Commission is asked to make its order authorizing Joseph Barrere, Inc. to issue its notes in the total principal amount of \$19,764.12.

The application shows that Joseph Barrere, Inc. is engaged in the business of transporting milk and cream by auto trucks between Oakland and San Francisco and Los Banos, Gustine, Newman and Oakdale and way points. The company reports its investment in plant and equipment, as of December 31, 1928, at \$80,921.04, consisting of \$7,500.00 for land, \$6,788.01 for

buildings, \$64,329.16 for trucks, \$1,953.12 for organization expenses and \$350.75 for miscellaneous properties.

Its assets and liabilities are reported as follows:-

ASSETS:

Plant and equipment	\$80,921.04
Cash	4.76
Accounts receivable	4,522.50
Prepayments	385.58

Total Assets\$85,833.88

LIABILITIES:

Capital Stock	\$18,000.00
Notes payable	26,269.50
Accruals	5,238.43
Accounts payable	13,456.33
Other credit accounts	12,173.35
Reserve for depreciation	25,430.17
Deficit	14,733.90

Total Liabilities\$85,833.88

It appears that some of the notes are payable over a period of more than twelve months after date of issue and that some have been renewed from time to time so that the combined terms of the original notes and of those issued in renewal extend over a period of more than twelve months. Applicant did not obtain permission from this Commission to issue such notes but it clearly appears that its failure to do so was through inadvertence and with no intent to evade the provisions of the Auto Stage and Truck Transportation Act, or any other act. When its attention was directed to the necessity of securing such permission, it immediately filed this application.

The notes covered by the application are as follows:-

TO Gilbert & Parker	\$5,300.00
TO Fageol Motor Sales Co.	4,864.12
TO Spivock & Spivock.	3,350.00
TO American Trust Company	1,500.00
TO American Trust Company	4,750.00

Total \$19,764.12

The testimony shows that during 1927 applicant purchased, for \$7,500.00, a piece of real property, 125 feet by 125 feet in dimensions, located at 1020 - 44th Street, Oakland, and erected thereon, at a cost of \$6,350.00, a building used for shop purposes. Applicant paid \$1,000.00 in cash on account of the purchase price of the real property and on November 28, 1927, executed its note to C. L. Gilbert and F. L. Parker for the remaining \$6,500.00, payable at the rate of \$100.00 a month, with interest at the rate of seven percent and secured by a deed of trust on the property. In erecting the building, applicant paid \$3,000.00 in cash and on September 1, 1928, executed its note to Spivock and Spivock for the remaining \$3,350.00, payable over a period of seventeen months with interest at eight percent. The note to Gilbert and Parker has been reduced to \$5,300.00 but no payments apparently have been made on the note to Spivock and Spivock. A copy of the deed of trust securing the payment of the former note was filed on April 16, 1929 and appears to be in satisfactory form.

The amount in favor of Fageol Motor Sales Company represents the balance payable on a Fageol truck purchased on December 31, 1928. The amount is payable in monthly installments of \$200.00 for four months and of \$312.00 for thirteen months.

The indebtedness due American Trust Company consists of two short term seven percent notes, one for \$1,500.00 issued to provide funds for the five percent tax payment to the state, and the other for \$4,750.00 assumed in connection with the acquisition by the corporation of its properties. These notes, it seems, have been renewed from time to time and it appears that further renewals must be authorized by this Commission.

O R D E R

Joseph Barrere, Inc. having applied to the Railroad Commission for an order authorizing the issue of notes, a public hearing having been held before Examiner Fankhauser, and the Commission being of the opinion that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for through such issue is reasonably required for the purposes specified herein,

IT IS HEREBY ORDERED that Joseph Barrere, Inc. be, and it hereby is, authorized to execute a deed of trust substantially in the same form as that filed in this proceeding on April 16, 1929, and to issue its promissory notes in the principal amount of not exceeding \$19,764.12, as follows:-

- a. To Gilbert & Parker, payable in monthly installments of \$100.00 with interest at seven percent \$5,300.00
- b. To Fageol Motor Sales Company, payable over a period of 17 months 4,864.12
- c. To Spivock & Spivock, payable over a period of 17 months with interest at eight percent 3,350.00
- d. To American Trust Company, payable three months after date with interest at seven percent 1,500.00
- e. To American Trust Company, payable three months after date with interest at seven percent 4,750.00

IT IS HEREBY FURTHER ORDERED that Joseph Barrere, Inc. be, and it hereby is, authorized to renew the notes in favor of American Trust Company, from time to time, provided that any note issued under the authority granted in this paragraph must be made payable on or before three (3) years after the date of this order.

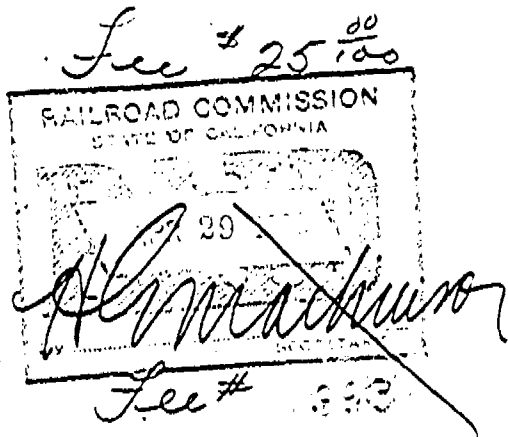
The authority herein granted is subject to the following conditions:-

1. The authority herein granted to execute a deed of trust is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Auto Stage and Truck Transportation Act and is not intended as an approval of said deed of trust as to such other legal requirements to which it may be subject.
2. Applicant shall keep such record of the issue of the notes herein authorized as will enable it

to file within thirty (30) days thereafter, a verified report, as required by the Railroad Commission's General Order No. 24, 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 minimum fee prescribed by Section 6 of the Auto Stage and Truck Transportation Act and Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 24th day of April, 1929.



Thos. D. Loutch
W. J. Loney
Wm. L. Loutch
Leon A. White
W. P. Case
Commissioners.