

Decision No. 91370

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PIONEER TRUCK AND TRANSFER COMPANY)
 OF LOS ANGELES)
 for ratification of deed of trust given)
 to the Pacific Mutual Life Insurance) Application No. 15792
 Company of California under the provi-)
 sions of Section 52 of the Public Util-)
 ities Act.)

Geo. S. Colburn, for Applicant.

BY THE COMMISSION:

OPINION

ORIGINAL

In the above entitled matter the Railroad Commission has been asked to make an order approving the execution by Pioneer Truck and Transfer Company of Los Angeles of a deed of trust and note in the principal amount of \$90,000.00, payable on or before five years after date with interest at the rate of 6.5 percent per annum.

Pioneer Truck and Transfer Company of Los Angeles is a corporation organized under the laws of the State of California on or about January 4, 1907. The corporation is engaged in the local drayage business in Los Angeles and in the business of transporting freight between Los Angeles, San Pedro and Wilmington. For the last three calendar years, it has reported its revenues and expenses, in its annual financial statements filed with the Commission, as follows:

<u>Item</u>	<u>1926</u>	<u>1927</u>	<u>1928</u>
Transportation revenue	\$354,911.52	\$356,759.88	\$341,339.45
Transportation expenses	332,191.11	325,876.19	310,735.97
Net transportation revenue	22,720.41	30,883.69	30,603.48
Non-operating income	4,767.86	4,699.37	8,009.86
Net income	\$ 27,488.27	\$ 35,583.06	\$ 38,613.34
Interest and other deductions	15,125.77	11,562.11	9,892.50
Profit for year	<u>\$ 12,362.50</u>	<u>\$ 24,020.95</u>	<u>\$ 28,720.84</u>

At the close of 1928, the company reported its investment in fixed capital at \$376,573.44 and its cash and other current assets

at \$99,613.35, a total of \$476,186.79. Its liabilities were reported at \$99,840.04, consisting of a \$65,000.00 eight year 6.5 percent mortgage note, due October 30, 1930, \$28,542.89 of accounts payable and \$6,297.15 of interest and other accrued items not due, and its reserves at \$70,765.40. The total liabilities and reserves add to \$170,605.44.

It appears that since the close of 1928, applicant has disposed of certain real property, located at 472 North Alameda Street, and has paid the \$65,000.00 mortgage note outstanding against such property. The company reports that it has made arrangements to purchase from Busch Pipe and Supply Company other real property, consisting of two lots, being Lots A and B of Tract No. 6839, containing 136,000 square feet, and that it proposes to erect thereon two steel concrete sheds, with canopies, for use in housing its equipment and for garage and other purposes.

The cost of the two lots is reported at \$284,000.00 and the cost of the improvements to be made at an amount in excess of \$22,000.00. It seems that the company has paid on the purchase price of the real property the sum of \$205,000.00 and that it proposes to use \$79,000.00 obtained through the issue of the proposed \$90,000.00 note to complete the purchase price and to use the remaining \$11,000.00 to pay in part the cost of the improvements. These improvements, it appears, include a spur track, to cost \$3,000.00, the two steel buildings and canopies, to cost about \$17,000.00, and concrete platforms and walls, to cost about \$2,600.00.

We have given consideration to applicant's request and to its financial reports on file and it appears to us that its assets and revenues should support the \$90,000.00 indebtedness. Further, the copy of the proposed deed of trust, filed with the application, appears to be in satisfactory form. An order, accordingly, authorizing

the execution of the deed of trust and note will be entered.

ORDER

Pioneer Truck and Transfer Company of Los Angeles having applied to the Railroad Commission for an order approving the execution of a deed of trust and note, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted, as herein provided, and that money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Pioneer Truck and Transfer Company of Los Angeles be, and it hereby is, authorized to execute a deed of trust, substantially in the same form as that filed in this proceeding, and to issue its promissory note, secured thereby, in the principal amount of \$90,000.00, payable on or before five years after date of issue, with interest at not exceeding 6.5 percent per annum, and to use \$79,000.00 obtained through the issue of such note to pay, in part, the cost of the real property referred to in the foregoing opinion, and \$11,000.00 to finance, in part, the cost of improvements on said real property.

The authority herein granted is subject to the following conditions:

(1) The authority herein given 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 Truck and/Transportation Act and the Public Utilities Act, and is not intended as an approval of the said deed of trust as to such other legal requirements to which it may be subject.

(2) Applicant shall keep such record of the note herein

authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, 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 fee prescribed by Section 6 of the Auto Stage and Truck Transportation Act and Section 57 of the Public Utilities Act, which fee is \$90.00.

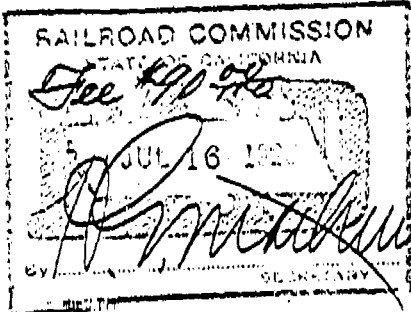
DATED at San Francisco, California, this 15th day of July, 1929.

C. L. Skaney

Leon Whitwell

W. P. Linn

Commissioners.



Fee # 27101