

Decision No. 28807

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PARR-RICHMOND TERMINAL CORPORATION,
LTD., a corporation, for an order
authorizing its issuance of refunding
note in favor of The Capital National
Bank of Sacramento.

Application No. 20537

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Parr-Richmond Terminal Corporation, Ltd. has applied to the Railroad Commission for permission to execute a \$50,000. six percent. demand note in favor of The Capital National Bank of Sacramento for the purpose of paying or refunding outstanding indebtedness and of providing working capital.

It appears that applicant is engaged in operating public wharfs at Richmond and in dealing in industrial lands. The present application indicates that the corporation in the conduct of its business, both utility and non-utility, has from time to time issued certain promissory notes and incurred other indebtedness. As of March 31, 1936 it reports outstanding notes payable of \$52,550.78 and accounts payable of \$17,586.62, including certain items which it now desires to pay, as follows:-

<u>Notes payable</u>	<u>Date of:</u>	<u>Date</u>	<u>Int.:</u>	
<u>Payee</u>	<u>Issue</u>	<u>due</u>	<u>rate</u>	<u>Amount</u>
American Trust Company	:10- 1-35	:\$50.mo.	: 6 $\frac{1}{2}$ %	:\$ 4,811.71
Pacific National Bank	: 3-30-36	: 90 days	: 6%	: 8,865.81
Bank of America	:12- 3-39	: 6-1-30	: 7%	: 940.00
Mechanics Bank	:10- 1-35	: Demand	: 6%	: 4,750.00
Crocker First National Bank	: 3-21-36	: 90 days	: 6%	: 11,500.00
Morrison, Eohfeld, Foerster, Shuman & Clark	:10- 1-35	:\$1000.Mo	: 5%	: 2,500.00
				<u>Total.....:\$33,167.52</u>

ACCOUNTS PAYABLE

Thelen & Marris, Attorneys' Fees	\$	750.00
Healey Tibbetts Cons.Co.-Wharf repairs		2,100.00
Wasburn Bros.-Automobiles purchased		2,000.00
American Dredging Co.-Dredging		300.00
Marsh & McLennan-Insurance premiums		980.00
E. A. Johnston Agency-Insurance premiums		500.00
Travelers Ins. Co.-Insurance premiums		854.00
Richmond Chamber of Commerce-Advertising		450.00
Miscellaneous		1,016.00
Total	\$	<u>8,950.00</u>
Total notes and accounts		<u>\$42,117.52</u>

The \$4,611.71 note due American Trust Company, the \$4,750.00 note due Mechanics Bank and the \$2,500.00 due Morrison, Hohfeld, Foerster, Shuman & Clark, which is part of a total note indebtedness of \$14,000. were issued pursuant to authority heretofore granted by the Commission by Decision No. 28353 for the purpose of paying or refunding outstanding indebtedness referred to in that decision. The \$8,865.81 note to Pacific National Bank was issued, it is reported, to purchase some of applicant's outstanding bonds, the \$940.00 note to Bank of America to purchase East Oakland industrial property, and the \$11,500.00 note to Crocker First National Bank to pay bond interest and taxes.

The company's financial statement shows that it has not sufficient cash on hand to pay the aforesaid indebtedness. On March 31, 1936 it reported cash of \$688.90, accounts receivable of \$22,792.88, notes receivable of \$7,100.00 and prepaid items of \$7,788.93, a total of \$38,370.71, as compared with current and accrued liabilities of \$73,563.44. It therefore has made arrangements to borrow from The Capital National Bank of Sacramento the sum of \$50,000.00 to pay the indebtedness referred to above of \$42,117.52 and to provide working capital of \$7,882.48.

In evidence of the \$50,000.00 to be thus borrowed, applicant proposes to issue its promissory note payable on demand with interest at the rate of six percent. per annum. The payment thereof will be secured by an assignment by applicant of certain rents and other moneys, as set forth in an instrument of assignment attached to the application as Exhibit "C", and by a guaranty to be executed by Parr Terminal Company, a non-utility corporation which holds all of applicant's outstanding stock, except qualifying shares. The said guaranty will be secured by an assignment by said Parr Terminal Company of certain sub-leases of premises in the City of Oakland.

The Commission has considered applicant's request and is of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for is reasonably required by applicant, therefore,

IT IS HEREBY ORDERED that Parr-Richmond Terminal Corporation, Ltd. be, and it hereby is, authorized to issue its six percent demand note for \$50,000.00 for the purpose of paying or refunding the notes and accounts payable of \$42,117.52 referred to herein and of providing working capital of \$7,882.48, and to execute an assignment substantially in the same form as that attached to the application as Exhibit "C", provided:

1. That the authority herein granted to execute an assignment is for the purpose of this proceeding only and is given only insofar as this Commission might have jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said assignment as to such other legal requirements to which it may be subject; and

2. That applicant within sixty(60) days after the issue of the note herein authorized shall advise the Commission in writing of such issue and shall file a statement showing the notes and accounts paid or refunded and the amount of proceeds received through the issue of the note which were used for working capital; and
3. That the authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Thirty-nine (\$39.00) Dollars.

DATED at San Francisco, California, this 11th day of May, 1936.

M B Hanna
Leon Whitwell
W. J. Carr
Frank R. Brown

Commissioners.

Fee \$ 39 ⁰⁰/₁₀₀

RAILROAD COMMISSION
 STATE OF CALIFORNIA

MAY 12 1936

SECRETARY

Fee # 32628