

Decision No. 31556

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 22409

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Parr-Richmond Terminal Corporation has applied to the Railroad Commission for permission to execute a \$33,000.00 six per cent. demand note in favor of The Capital National Bank of Sacramento for the purpose of paying or refunding outstanding indebtedness.

It appears that applicant is engaged in operating public wharves 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 October 31, 1938 it reports outstanding notes payable of \$57,633.55, accounts payable of \$21,184.11 and accrued liabilities of \$6,763.44. Among other things it reports notes and accounts now due or about to become due of \$33,000.00 as follows:-

Six per cent. demand note due The Capital National Bank of Sacramento, being the unpaid balance of the \$50,000. note authorized by Decision No. 28809, dated May 11, 1936	\$13,000.00
Interest on five per cent. installment note for \$13,000. authorized by Decision No. 28353, dated November 12, 1935	1,300.00
Interest to January 1, 1939 on first mortgage 6½% bonds	8,222.50
Sewer bonds—City of Richmond	2,208.71
Real estate taxes	4,500.00
Federal income tax	1,300.00
Open account due American Dredging Co.	2,468.79
Total.....	<u>\$33,000.00</u>

The company's financial statement shows that it has not sufficient cash on hand to pay the aforesaid indebtedness. On October 31, 1938 it reported cash and accounts receivable of \$20,359.87, notes receivable of \$7,117.74 and prepaid items of \$6,412.24, a total of \$33,889.85, as compared with current and accrued liabilities of \$85,581.10. It therefore has made arrangements to borrow from The Capital National Bank of Sacramento the sum of \$33,000.00 to pay the indebtedness referred to above of \$33,000.00.

In evidence of the \$33,000.00 to be thus borrowed, applicant proposes to issue its promissory note payable on demand with interest at the rate of six per cent. 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 Application No. 20537 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 be, and it hereby is, authorized to issue its six per cent. demand note for \$33,000.00 for the purpose of paying or refunding the notes and accounts payable of \$33,000.00 referred to herein, provided

1. 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

2. That the authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 12th day of December, 1938.

Rafaela
John A. White
Robert L. ...
Wm. H. ...
M. J. ...
COMMISSIONERS.

\$ 25.00
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H. G. ...