

Decision No. 357-17

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of J. A. CLARK DRAYING COMPANY, LTD., a corporation, for authority to issue to Pacific Mutual Life Insurance Company a promissory note and a deed of trust securing same.

Application
No. 25045

ORIGINAL

BY THE COMMISSION:

O P I N I O N

In this proceeding J. A. Clark Draying Company, Ltd. asks permission to issue to Pacific Mutual Life Insurance Company, or order, for the purpose hereinafter stated, its promissory note in the principal sum of \$65,000 and to execute a deed of trust to California Pacific Title & Trust Company to secure the payment of said note.

J. A. Clark Draying Company, Ltd., sometimes hereinafter referred to as applicant, is engaged, among other things, in business as a public utility in conducting operations as a public warehouseman in the City and County of San Francisco and in conducting operations as a highway common carrier between certain points in southern California. Applicant also conducts other motor carrier operations as a city carrier and a radial highway common carrier under permits issued by the Commission.

As of December 31, 1941, applicant reports assets and liabilities as follows:

ASSETS

| | |
|----------------------|---------------------|
| Plant and Equipment | \$366,301.34 |
| Cash | 25,492.67 |
| Accounts receivable | 46,941.70 |
| Prepayments | 2,692.32 |
| Other debit accounts | <u>8,914.22</u> |
| Total Assets | <u>\$450,342.25</u> |

LIABILITIES

| | |
|----------------------------------|---------------------|
| Capital stock | \$100,000.00 |
| Notes payable | 15,840.81 |
| Accrued liabilities not due | 22,084.27 |
| Accounts payable | 16,490.29 |
| Reserve for accrued depreciation | 214,114.56 |
| Surplus | <u>81,812.32</u> |
| Total Liabilities | <u>\$450,342.25</u> |

For 1941 applicant reports operating revenues of \$824,456.99, segregated as follows:

| | |
|--------------------------------|---------------------|
| Transportation revenues | \$256,002.21 |
| Warehouse revenues | 29,537.63 |
| Revenues from other operations | <u>538,917.15</u> |
| Total | <u>\$824,456.99</u> |

For 1941 applicant shows a profit from operations of \$25,641.13.

Applicant proposes to acquire from Pacific Mutual Life Insurance Company certain land and two buildings located at Howard and Spear Streets in the City and County of San Francisco. One building is a four-story brick building and the other a three-story concrete building. The dimensions of both buildings are approximately 137 feet 6 inches by 137 feet 6 inches. Applicant has been using the buildings as its principal office, as a public warehouse to the extent of its operating rights as a public

warehouseman, and as a terminal for its operations as a city carrier and a radial highway common carrier. Its lease on said property expires on June 30, 1942. Applicant has been paying, for the use of the property, a monthly rental of \$600.00. Pacific Mutual Life Insurance Company, the owner of the land and buildings will not renew the lease. Applicant has, therefore, concluded to acquire the land and buildings at a cost of \$75,000. Of this sum it will pay \$10,000 in cash and, in payment of the balance, issue to Pacific Mutual Life Insurance Company, or order, its promissory note for \$65,000. The note will bear interest at the rate of 5% per annum, payable monthly. Both the principal and interest are payable in monthly installments of \$514.15, beginning June 1, 1942, and continuing until April 1, 1957, with the balance payable on May 1, 1957. The payment of the note will be secured by a deed of trust which will be a lien on said land and buildings.

O R D E R

The Commission having considered the request of J. A. Clark Draying Company, Ltd. and it being of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by J. A. Clark Draying Company, Ltd. to acquire said land and buildings; that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions

of this order, therefore,

IT IS HEREBY ORDERED as follows:

1. J. A. Clark Draying Company, Ltd. may, after the effective date hereof and on or before August 1, 1942, issue to Pacific Mutual Life Insurance Company, or order, its 5% promissory note for not exceeding \$65,000, said promissory note to be in substantially the same form as the note filed in this proceeding as Exhibit A, and to execute a deed of trust to secure the payment of said note, which deed of trust shall be in substantially the same form as the deed of trust filed in this proceeding as Exhibit B, provided that 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 Public Utilities Act and is not intended as an approval of said deed of trust as to such other legal requirements to which said deed of trust may be subject.

2. J. A. Clark Draying Company, Ltd. shall issue the note herein authorized in part payment for the land and buildings described in this application.

3. The authority herein granted will become effective when J. A. Clark Draying Company, Ltd. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Sixty-five (\$65.00) Dollars.

4. J. A. Clark Draying Company, Ltd. shall, within thirty (30) days after the issue of the note herein authorized, file with the Railroad Commission a true and correct copy of the note so issued and a true and correct copy of the deed of

trust executed under the authority herein granted, together with a statement showing the purposes for which it issued said note.

Dated at San Francisco, California, this 16th day of June, 1942.

W. H. Riey
J. L. Baker

Richard Jackson
Commissioners

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RAILROAD COMMISSION
STATE OF CALIFORNIA
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