

Decision No. 37660

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of the

HUMBOLDT MOTOR STAGES, INC.,
a Corporation for Authority to issue
and execute a promissory note and
chattel Mortgage.

Application
No. 26530

BY THE COMMISSION:

O P I N I O N

Humboldt Motor Stages, Inc., hereinafter sometimes referred to as applicant, asks permission to issue its note for the sum of not exceeding \$25,000 to the Eureka Branch, Bank of America National Trust and Savings Association and execute a chattel mortgage to secure the payment of said note, all for the purpose of acquiring additional motor truck equipment to which reference is made hereafter.

Applicant is engaged in the business of transporting persons and property by motor vehicle as a common carrier by virtue of certificates of public convenience and necessity granted by the Railroad Commission. Generally speaking, applicant is operating a transportation service between Eureka and

Redding, between Eureka and Happy Camp, between Weaverville and Forest Glen, between blue Lake and Korbek, between Somes Bar and Forks of Salmon, between Scotia and Trinidad, between Eureka and Ruth, between Mad River and Forest Glen, between Tower House and French Gulch and between Lewiston Junction and Minersville.

As of October 31, 1944, applicant reports assets and liabilities as follows:

<u>Assets</u>		
Current assets		\$22,054.57
Cash and special deposits	\$ 2,113.90	
Accounts receivable	18,528.48	
Materials and supplies	752.83	
Other current assets	659.36	
Carrier operative property		18,900.58
Cost of carrier operative property	65,832.70	
Less depreciation reserve	46,932.12	
Non-carrier operating property		1,050.00
Cost of non-carrier operating property	4,173.71	
Less depreciation reserve	3,123.71	
Intangible property		1,065.00
Prepayments		<u>10,295.51</u>
Total Assets		\$53,365.66
<u>Liabilities</u>		
Current liabilities		\$20,493.63
Accounts payable	\$14,989.68	
Taxes accrued	4,395.33	
Other current liabilities	1,108.62	
Equipment obligations		1,500.00
Other deferred credits		4,557.82
Capital stock - common		7,500.00
Unappropriated surplus		<u>19,314.21</u>
Total Liabilities		\$53,365.66

For the ten months ending October 31, 1944, applicant reports operating revenues of \$151,032.09 and a net profit of \$6,197.10.

Applicant's petition shows that the Office of Defense Transportation has authorized it to purchase the following equipment:

One 1945 Peterbilt Dual Drive Diesel Truck Tractor
One 1945 Reliance 5000 Gallon Semi-Trailer
One 1945 Reliance Low Bed Semi-Trailer

Applicant reports that it has need for this equipment because of the increase in its business.

To finance the purchase of this equipment applicant has made arrangements to borrow not exceeding \$25,000 from the Eureka Branch of the Bank of America National Trust and Savings Association. The loan will be represented by an installment note payable monthly over a period of three years with interest at the rate of 5% per annum on the unpaid balance. The interest is payable monthly. The payment of the note will be secured by a mortgage of chattels which will be a lien on the equipment mentioned herein and two additional units of equipment now owned by applicant.

O R D E R

Humboldt Motor Stages, Inc. having applied to the Commission for permission to issue a note for the sum of not exceeding \$25,000 and execute a mortgage of chattels, and the Commission having considered applicant's request 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 said note by applicant is reasonably required by applicant for the purpose herein stated; 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. Humboldt Motor Stages, Inc., may, after the effective date hereof and on or before June 30, 1945, issue a note for the sum of not exceeding \$25,000, payable in 36 equal consecutive monthly installments with interest at the rate of 5% per annum on the unpaid balances, said interest to be payable monthly. The proceeds realized through the issue of said note shall be used to pay, in whole or in part, the cost of the equipment mentioned in the foregoing Opinion. Said note shall be in substantially the same form as the note on file in this application.

2. To secure the payment of said note, Humboldt Motor Stages, Inc. may execute a mortgage of chattels substantially in the same form as that on file in this application.

3. The authority herein granted will become effective when Humboldt Motor Stages, Inc., has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

4. Humboldt Motor Stages, Inc. shall file with the Commission within sixty (60) days after the issue of said note the following:

- a. A true and complete copy of said note.
- b. A true and complete copy of said mortgage of chattels.
- c. A statement showing the amount realized through the issue of the note and the purposes for which said amount was expended. The expenditures shall be segregated so as to show the cost of each of said units of equipment and the amount of such cost paid through the use of said note proceeds.

Dated at San Francisco, California, this 6th
day of February, 1945.

Harold Robinson
Justice J. Casper
Richard Kachere
Howard Dewa
David Russell
Commissioners

RAILROAD COMMISSION
STATE OF CALIFORNIA
FEB 8 1945
H. M. [Signature]