

Decision No. 38459

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of)
 SIGNAL TRUCKING SERVICE, LTD. for)
 authority to execute promissory note) Application
 and mortgage of chattels.) No. 27033
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BY THE COMMISSION:

ORIGINALOPINION AND ORDER

Signal Trucking Service, Ltd., asks permission to execute a chattel mortgage and to issue a note in the principal amount of \$80,000 payable in twenty-three monthly installments of \$3,333.34 and a twenty-fourth installment of \$3,333.18, with interest at the rate of 6% per annum.

It appears that Signal Trucking Service, Ltd., is a corporation engaged, among other things, in the transportation of property by motor vehicles between Los Angeles and the steamship wharves and docks at Los Angeles Harbor. Its operating revenues and expenses have been reported as follows:

	<u>Operating Revenue</u>	<u>Operating Expense</u>	<u>Net Opera- ting Revenue</u>
1942	\$1,234,256	\$1,143,944	\$90,312
1943	1,390,711	1,341,495	49,216
1944	1,316,896	1,299,755	17,141
1945-to Aug. 31	900,524	894,805	5,719

The company's financial reports filed with the Commission indicate that from time to time it has found it necessary to borrow money to pay for additional equipment and to provide working capital. Its balance sheet filed in this proceeding shows its assets and liabilities as of August 31,

1945, as follows:

Assets.

Current and deferred assets -

Cash and deposits	\$ 38,263.46
Notes receivable	3,106.34
Accounts receivable	144,092.75
C.O.D.'s receivable	6,767.59
Materials and supplies	50,805.93
Prepayments and other debits	25,357.62
Miscellaneous	<u>12.14</u>

Total current and deferred assets	\$ 268,405.83
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Tangible property	710,156.94
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Other investments and advances	<u>33,414.75</u>
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Total assets	<u>\$1,011,977.52</u>
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Liabilities.

Current liabilities -

Notes payable	\$ 13,281.49
Accounts payable	110,677.54
Wages payable	47,551.06
C.O.D.'s payable	16,122.97
Taxes accrued	32,829.11
Other	<u>3,443.93</u>

Total current liabilities	\$ 223,906.10
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Equipment obligations	124,289.25
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Deferred credits	<u>165.36</u>
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Total liabilities	348,360.71
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Reserve for depreciation	411,490.63
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Reserve for insurance	331.37
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Capital stock	130,192.00
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Surplus	<u>121,602.81</u>
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Total	<u>\$1,011,977.52</u>
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Included among the outstanding liabilities is an amount of \$25,660.49 representing the unpaid balance of a note,

secured by a chattel mortgage, executed under the authority granted by the Commission by Decision No. 37448, dated October 31, 1944, and also a short term unsecured note, now past due, for \$10,000.

The company now proposes to use \$35,660.49 of the proceeds to be received through the issue of the new note to pay this indebtedness and to use the remaining \$44,339.51 to liquidate some of its present liabilities. The Commission is advised that the company is having some difficulty in accumulating sufficient cash to meet its current accounts and payrolls, and that it is necessary for it to borrow \$80,000 for the purposes stated.

A copy of the proposed note has been filed in this proceeding as Exhibit "B" and a copy of the proposed chattel mortgage as Exhibit "C". It is reported that the same equipment will be covered by the chattel mortgage as is covered by the present chattel mortgage securing the payment of the note for \$25,660.49.

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

IT IS HEREBY ORDERED as follows:

1. Signal Trucking Service, Ltd., after the effective date hereof and on or before February 28, 1946, may execute a

chattel mortgage and issue a note for \$80,000 in, or substantially in, the same form as the chattel mortgage and the note filed in this proceeding as Exhibit "C" and Exhibit "B", respectively; and use the proceeds to pay the two notes aggregating \$35,660.49 referred to herein and pay current liabilities.

2. 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 Fifty-five (\$55.00) Dollars.

3. Applicant shall file with the Commission a report, or reports, as required by General Order No. 24-A.

Dated at ^{San} ~~San Francisco~~, California, this 10th day of December, 1945.

Harold Anderson

Frank W. Chan

Leah S. Powell

Harold T. Kuls
Commissioners

