

Decision No. 38462**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

RICHARDS TRUCKING & WAREHOUSE CO.,
a corporation, for an order author-
izing the issuance of a promissory
note and chattel mortgage.

Application
No. 27087

BY THE COMMISSION:

OPINION AND ORDER

Richards Trucking & Warehouse Co. has applied to the Railroad Commission for authority to execute a mortgage of chattels and to issue a note for \$12,000 for the purpose of paying outstanding indebtedness and of providing working capital.

The application shows that Richards Trucking & Warehouse Co. is a corporation engaged in the business of transporting freight by truck between Los Angeles and Los Angeles Harbor and of operating a public warehouse in Los Angeles. As of September 30, 1945, it reports its assets and liabilities as follows:

<u>Assets</u>		
Cash (overdraft)		\$ <u>(272.64)</u>
Accounts receivable		8,406.87
Materials and supplies		10,805.15
Equipment	\$126,561.99	
Less: Res. for depreciation	<u>78,731.77</u>	47,830.22
Prepayments		<u>822.17</u>
Total		<u>\$67,591.77</u>

Liabilities

Accounts payable		\$10,389.79
Equipment notes		12,190.00
Accrued expenses		8,872.78
Due officers & stockholders		12,483.03
Capital stock:		
Preferred	\$54,640.00	119,590.00
Common	<u>64,950.00</u>	
Deficit		<u>(95,933.83)</u>
	Total	<u>\$67,591.77</u>

The company reports that it has heretofore issued certain promissory notes as follows:

1. November 22, 1944, \$16,000.00 payable \$890.00 per month, balance on November 21, 1945, interest 8%, secured by chattel mortgage on 52 units of motor vehicle equipment, proceeds used for providing working capital and carrying U. S. Government accounts receivable.
2. December 12, 1944, \$2600.00 payable \$215.00 per month, balance on December 11, 1945, interest 8%, secured by chattel mortgage on 1 truck, proceeds used for purchase of same truck.
3. December 20, 1944, \$3,340.00 payable \$140.00 per month, balance on December 19, 1945, interest 8%, secured by chattel mortgage on 2 trucks, proceeds used for purchase of same trucks.

The company reports that there is unpaid on account of these notes the total sum of \$9,858.61, that it cannot anticipate that it will have cash available for the payment of the balances which will become due at the maturity of the notes and that it desires to refund said notes by the issuance of a new note to be payable over a period of one year. In addition to the refunding of the three notes the company reports that it should increase its working capital by at least \$2,000.00.

Accordingly the company proposes to borrow the sum of \$12,000 from Bank of America National Trust and Savings Association to be evidenced by a promissory note for that amount payable

in monthly installments of \$1,000 with interest on deferred balances at the rate of 7 per cent per annum, payment to be secured by a mortgage of chattels covering fifty-five units of equipment. Copies of the proposed instruments are filed as Exhibit "A". They appear to be in satisfactory form.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the money, property or labor to be procured or paid for through the issue of the new note is reasonably required by Richards Trucking & Warehouse Co. for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Richards Trucking & Warehouse Co. may, after the effective date hereof and on or before February 28, 1946, execute a mortgage of chattels and issue a note for \$12,000 in the same form as the mortgage of chattels and note filed in this proceeding as Exhibit "A", and to use the proceeds to pay the balances due on the three notes referred to herein and to provide additional working capital.
2. 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.
3. Richards Trucking & Warehouse Co. shall file with the Commission a report, or reports, as required by the Railroad Commission's General Order No. 24-A.

Dated at San Francisco, California, this 10th
day of December, 1945.

Harold C. ...

Francis ...

... ..

Harold ...

Commissioners

