



For the period from January 1 to September 30, 1946, the company reports total operating revenues of \$1,274,229 and expenses of \$1,203,328, leaving a balance of \$70,901. Its financial condition as of September 30, 1946, as reflected by its balance sheet, is shown in Exhibit "A", attached to the application. In summary form, its statement of assets and liabilities is as follows:

<u>Assets</u>	
Operating property	\$1,146,966.63
Less: reserves for depreciation	<u>683,066.28</u>
Investments and advances	\$ 463,900.35
Cash and special deposits	237,258.06
Accounts receivable	142,333.21
Materials and supplies	288,436.06
Prepayments	<u>8,435.95</u>
	<u>21,257.34</u>
Total	<u>\$1,161,620.97</u>
<u>Liabilities</u>	
Notes payable	\$ 100,000.00
Conditional sales contracts	129,647.11
Current and accrued liabilities	216,913.26
Deferred credits	11,070.78
Preferred stock	22,000.00
Common stock	50,000.00
Surplus	<u>621,989.82</u>
Total	<u>\$1,161,620.97</u>

The application shows that during the years 1944, 1945 and 1946 the company purchased eighty-nine units of equipment at a total cost of \$268,229.56 and that the present book value thereof, after deducting estimated accrued depreciation, is \$178,748.02. It is reported that the total purchase price was paid in cash from the company's treasury and that there is no obligation outstanding against the equipment or any part thereof.

The company reports that it now has need for additional funds and that accordingly it has made arrangements to borrow, from Bank of America National Trust & Savings Association, the sum of \$178,000 for the purpose of replenishing its treasury because of the moneys expended from its income for the additional equipment. The amount to be borrowed will be represented by a note payable in the amount of \$3,724 on December 2, 1946, and thereafter in forty-seven equal successive monthly installments of \$3,708, together with interest at the rate of four percent per annum. The payment of the note will be secured by a mortgage of chattels covering the units of equipment.

The application shows that the funds thus received will be used for further capital expenditures, namely for the construction of new terminal facilities and the improvement of existing facilities, and for the purchase of additional equipment.

A review of the application and of the company's financial returns indicates that it has had income from operations in excess of the proposed note issue, that such income has been invested in its assets and business, and that it has need for additional funds. An order authorizing the issue of the note accordingly will be entered.

#### O R D E R

Walkup Drayage & Warehouse Company having applied to the Railroad Commission for permission to execute a mortgage of chattels and to issue a note for \$178,000, and the Commission having considered the matter and being 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 said note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED as follows:

1. Walkup Drayage & Warehouse Company, after the effective date hereof and on or before December 31, 1946, may execute a mortgage of chattels and issue a note in the principal amount of \$178,000, said mortgage and said note to be in, or substantially in, the same form as the note and mortgage of chattels filed in this proceeding as Exhibit "D", and use the proceeds to reimburse its treasury because of moneys expended from income for the purchase of equipment.

2. Applicant shall file with the Commission a report, or reports, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. 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 One Hundred Seventy-eight (\$178.00) Dollars.

Dated at San Francisco, California, this 4<sup>th</sup> day  
of November, 1946.

Harold P. Kula  
Justin J. Calmer  
Frank J. ...  
... ..  
A. J. ...  
 Commissioners

# 178<sup>00</sup>  
 RAILROAD COMMISSION  
 STATE OF CALIFORNIA  
**PAID**  
 R-6977  
 NOV 8 1946  
 BY W. M. ...  
 SECRETARY