

Decision No. 40372

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 C. J. FORTIER and C. E. FORTIER,)
 copartners doing business as)
 HUNTINGTON STAGE LINES, for authority)
 to execute promissory notes, a)
 chattel mortgage, and a deed of trust.)

ORIGINALApplication
No. 28479O P I N I O N

C. J. Fortier and C. E. Fortier, co-partners doing business under the firm name and style of Huntington Stage Lines, are engaged in the operation of a common carrier service for the transportation of passengers and property, by motor vehicles, between Fresno and Big Creek and Fresno and Huntington Lake and other points. They report their operating revenues at \$69,318 in 1944, at \$85,381 in 1945 and at \$97,809 in 1946 and their net income at \$11,308 in 1944, at \$7,078 in 1945 and at \$4,199 in 1946. They report their assets and liabilities, as of April 30, 1947, as follows:

ASSETS

Current assets		
Cash	\$ 7,371.36	
U.S. war bonds	187.50	
Accounts receivable	<u>8,135.37</u>	
Total current assets		\$15,694.23
Operating property, less reserves		29,424.71
Intangible assets		14,580.66
Prepaid expenses		<u>2,038.16</u>
Total assets		<u>\$61,737.76</u>

LIABILITIES

Current liabilities		
Accounts payable	\$18,283.61	
Taxes payable	568.54	
Valley Express interline account	2,420.24	
Accrued payroll	2,182.51	
C.O.D.'s payable	<u>5,156.92</u>	
Total current liabilities		\$28,611.82
Equipment obligations		4,743.00
Loan of C. J. Fortier		8,500.00
Net worth		<u>19,882.94</u>
	Total liabilities	<u>\$61,737.76</u>

Applicants now plan to borrow an additional sum of \$24,700 from Security-First National Bank of Los Angeles, and to execute a mortgage of chattels and note for \$19,700 and a deed of trust and note for \$5,000. in order to obtain funds for the following purposes:

To pay indebtedness incurred in repairing their equipment	\$15,000
To liquidate the equipment obligations incurred in the purchase of equipment	4,743
To rehabilitate their dock and terminal facilities in Fresno	1,000
To provide additional working capital	<u>3,957</u>
Total	<u>\$24,700</u>

A copy of the proposed mortgage of chattels, with the note for \$19,700, has been filed in the proceeding as Exhibit "A", a copy of the proposed \$5,000 note as Exhibit "B", and a copy of the proposed deed of trust as Exhibit "C". The note for \$19,700 will be payable in monthly installments of \$547.23, or more, with interest at the rate of 5 percent per annum, and the note for \$5,000 will be payable in monthly installments of \$95, or more, with interest at the rate of 5 percent per annum. The mortgage of chattels will cover twenty-eight units of equipment while the deed of trust will be a lien on certain real property in Fresno.

Applicants report that the expenditures heretofore made were necessary to acquire additional property and to place the equipment in suitable and appropriate condition to meet the demands of the summer traffic. The financial statements indicate the need for additional funds to pay current obligations, to improve the cash position and to provide working capital.

O R D E R

Application having been made to the Public Utilities Commission for an order authorizing the execution of a mortgage of chattels and a deed of trust and the issue of notes, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of said notes is reasonably required for the purposes indicated herein,

IT IS HEREBY ORDERED as follows:

1. C. J. Fortier and C. E. Fortier, after the effective date hereof and on or before August 31, 1947, may execute a mortgage of chattels and a deed of trust in, or substantially in, the same form as the mortgage of chattels and the deed of trust filed in this proceeding as Exhibit "A" and "C", respectively, and may issue two notes in the aggregate amount of \$24,700, payable as indicated in the preceding opinion, in order to obtain funds to pay outstanding current indebtedness and equipment obligations, to rehabilitate their dock and terminal facilities in Fresno, and to provide working capital.

2. Applicants 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 applicants have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

Dated at San Francisco, California, this 10th day of June 1947.

Harold P. Kelly
Justin J. Cramer
Geo. H. Duncanson
A. F. Morrison
Lawrence Patten

Commissioners

