

ORIGINAL

Decision No. 41774

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of MERCHANTS EXPRESS CORPORATION,
a corporation, for authority to
execute a note and Motor Vehicle
Chattel Mortgage.

}
} Application
} No. 29421

OPINION AND ORDER

Merchants Express Corporation, hereafter sometimes referred to as Applicant, has applied to the Public Utilities Commission for authority to execute a mortgage of chattels and to issue a note for \$51,065.75.

The application shows that Applicant is engaged in the business of transporting property by motor vehicles as a highway common carrier within the general territory including San Francisco, San Rafael, Santa Rosa, Healdsburg, East Bay points, Richmond, Vallejo, Napa, Calistoga, Orinda, Lafayette, Hayward, Livermore and San Francisco peninsula points to and including San Jose. For the year 1947, its operating revenues are reported at \$2,307,678. Its operations resulted in a reported net operating loss of \$27,212.

Applicant's 1947 annual report shows that at the end of the year it owned 162 trucks, 97 tractors, 167 semi-trailers and other equipment. Its investment in carrier operating property was reported at \$1,530,953, consisting of the following:

Revenue equipment-		
Trucks	\$410,776	
Tractors	552,253	
Semi-trailers	319,785	
Other equipment	<u>21,983</u>	\$1,304,797
Service cars and equipment		12,825
Shop and garage equipment		16,587
Furniture and office equipment		64,394
Miscellaneous equipment		86,015
Improvements to leased property		4,708
Unfinished construction		<u>12,627</u>
	Total	<u>\$2,530,952</u>

In this application Applicant reports that at a cost of \$51,065.75 it has reconstructed 68 of its semi-trailers in two respects, namely, by altering the couplings from a Lapeer to a Fruehauf type and by converting all brakes from vacuum type to air type. To obtain funds to pay the cost of making the changes, Applicant seeks permission to execute a mortgage of chattels covering the 68 units of equipment and to issue, to Bank of America National Trust & Savings Association, its installment note for \$51,065.75 to be paid as follows: \$1,063.36 on July 24, 1948, and 47 equal successive monthly installments of \$1,063.87 beginning August 24, 1948, together with interest at a rate not to exceed 4½% per annum.

The Commission has considered this application and is of the opinion that a public hearing thereon 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 note is reasonably required by applicant for the purpose specified herein, therefore,

IT IS HEREBY ORDERED as follows:

1. Merchants Express Corporation, after the effective date hereof and on or before August 15, 1948, may execute a

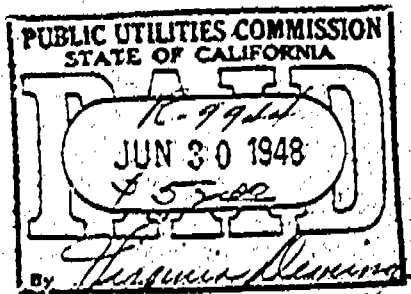
mortgage of chattels and issue a note in the principal amount of not exceeding \$51,065.75, in substantially the same form as the mortgage of chattels and note filed in this proceeding as Exhibit "D", for the purpose of financing the cost of reconstructing its equipment as referred to herein.

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. Applicant shall file with the Commission, on or before August 31, 1948, a copy of each journal entry used in recording on its books charges and credits to its carrier operating property accounts in connection with the reported reconstruction expenditures of \$51,065.75.

4. 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-two (\$52.00) Dollars.

Dated at San Francisco, California, this 29th day of June, 1948.



J. T. Anderson
Justice J. Calver
August J. Galloway
Harold P. Hills
Samuel Latta
Commissioners