

Decision No. 41911

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of G. B. CHINN GRAIN CO., a co-  
partnership, for Order Authorizing  
Issuance of Promissory Note and  
Trust Deed.  
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}  
} Application  
} No. 29538  
}

OPINION AND ORDER

This is an application for an order of the Public Utilities Commission authorizing G. B. Chinn and J. Alton Chinn, partners, doing business under the name of G. B. Chinn Grain Co., to execute a deed of trust and to issue a note for \$25,000.00.

Information before the Commission shows that applicants, on or about June 3, 1947, filed their tariff, PUC #1, naming rates for car loading at Stratford but that thereafter by a subsequent tariff, PUC #2, filed May 6, 1948, they cancelled their rates for car loading and filed rates for public utility warehouse operations, which rates are now on file and in effect. Their principal operations, however, consist of buying and selling grain.

The present application shows the partnership gross revenues for the twelve months period ending April 30, 1948 at \$2,182,433.03 with gross profit, after deducting cost of goods sold, at \$52,479.47 and net profit, after deducting all expenses, at \$22,204.95. It shows the assets and liabilities as of April 30, 1948 as follows:

Assets

## Current assets-

|                     |                 |
|---------------------|-----------------|
| Cash                | \$ 43,662.12    |
| Accounts receivable | 52,162.50       |
| Inventories         | 4,823.67        |
| Prepaid expenses    | <u>1,584.92</u> |

Total current assets

\$102,233.21

Fixed assets, less depreciation reserve

52,443.22

Total

\$154,681.43Liabilities

## Current liabilities-

|                  |               |
|------------------|---------------|
| Notes payable    | \$ 3,400.00   |
| Accounts payable | 127,581.35    |
| Payroll taxes    | <u>312.54</u> |

Total current liabilities

\$131,293.89

Net worth

23,387.54

Total

\$154,681.43

It appears that applicants are in need of additional funds to pay indebtedness and improve their cash position and that accordingly, they have arranged to borrow \$25,000.00 from California Milling Corporation. Said sum will be represented by a note payable in monthly installments of \$500.00 beginning September 1, 1948, with interest on the unpaid balance at the rate of 6% per annum, and will be secured by a deed of trust on applicants' properties. The note and the deed of trust will be dated as of July 9, 1948.

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

IT IS HEREBY ORDERED as follows:

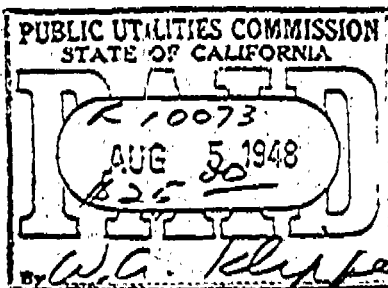
1. G. B. Chinn and J. Alton Chinn, after the effective date hereof and on or before September 30, 1948, may execute and deliver a promissory note in the principal amount of \$25,000.00 and a deed of trust, both to be dated as of July 9, 1948. The note and deed of trust shall be substantially in the same form as those filed in this proceeding as Exhibit "B".

2. Applicants shall use the proceeds to be received through the issue of said note to improve and maintain their service and to provide working capital.

3. Within thirty (30) days after the issue of the note herein authorized, applicants shall advise the Commission of that fact in writing.

4. The authority herein granted will become effective when applicants have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 3rd day of August 1948.



R. L. Dwyer  
W. A. Klippel  
Harold P. Kuhl  
Frederick Patten  
Commissioners