

Decision No. 42598

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 CLYDE STURGES, individual doing  
 business as HUNTINGTON STAGE LINES,  
 for authority to execute a chattel  
 mortgage.

Application  
 No. 30107

O P I N I O N

In this application, Clyde Sturges requests an order of the Commission authorizing him to issue note in the principal amount of \$17,000 and to execute a mortgage of chattels to secure the payment of the same.

Clyde Sturges, doing business under the firm name and style of Huntington Stage Lines, is engaged in the business of transporting passengers and property as a common carrier under rights heretofore acquired by him from C. J. and C. E. Fortier under authority granted by the Commission by Decision No. 40865, dated November 4, 1947. In the present application he has reported his revenues for the calendar year 1948 at \$52,178.07 and his net income at \$13,292.19. He reports his assets and liabilities as of December 31, 1948, as follows:

<u>Assets</u>	
Fixed assets and intangible capital	630,840.76
Current assets	6,008.11
Deferred assets	<u>1,881.28</u>
Total	<u>\$638,730.15</u>

<u>Liabilities</u>	
Current liabilities	\$ 4,832.17
Notes and contracts payable	16,463.54
Net worth	<u>17,434.44</u>
Total	<u>\$38,730.15</u>

The outstanding notes and contracts payable consist of the following:

\$ 9,900.00	note in favor of C. E. and C. J. Fortier, payable in monthly installments of \$403, with interest at the rate of 5% per annum.
3,000.00	loan from Jessie Cannon, payable in monthly installments of \$150.
1,866.72	equipment contract with Anglo-California National Bank payable in monthly installments of \$116.67.
1,305.76	equipment contract with Bank of America payable in monthly installments of \$186.54.
991.06	equipment contract with Yellow Manufacturing Acceptance Corp. payable in monthly installments of \$997.00.
<u>          </u>	
<u>\$16,463.54</u>	

Since December 31, 1948 the principal amounts of these items of indebtedness have been reduced by the amounts of subsequent monthly payments.

The application shows that the note in favor of C. E. and C. J. Fortier was issued in part payment of certain rights and property acquired from them. The loan from Jessie Cannon represents monies borrowed for operating capital, and the three equipment contracts represent obligations incurred in the acquisition of additional property.

Applicant now proposes to borrow the additional sum of \$17,000 from Ernest L. Cannon and Jessie Cannon for the purpose of discharging the unpaid balances on the outstanding notes and contracts referred to above and of providing additional working capital. The sum thus borrowed will be represented by a note for \$17,000 payable in equal successive monthly installments of \$285.33, together with interest at the rate of 5% per annum on the unpaid principal. The payment of the note will be secured by a mortgage of chattels covering applicant's vehicles.

#### O R D E R

The Public Utilities Commission having considered the above entitled matter and being 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 a note for \$17,000 is reasonably required by Clyde Sturges for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Clyde Sturges, after the effective date hereof and on or before June 30, 1949, may issue a note in the principal amount of \$17,000 and may execute a mortgage of chattels to secure the payment of the same, said note and said mortgage of chattels to be in, or substantially in, the same form as those filed as Exhibit "A" in this proceeding.

2. Clyde Sturges shall use the proceeds to be realized through the issue of said note to pay the unpaid balances on the notes and contracts referred to in the foregoing opinion and to maintain and improve his service.

3. Within thirty days after the issue of the note herein authorized, Clyde Sturges shall file with the Commission a copy of the note and of the mortgage of chattels as actually executed, together with a statement showing the purposes for which the proceeds were used.

4. The authority herein granted will become effective when Clyde Sturges has 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 15<sup>th</sup> day of  
March 1949.

R. Z. Anderson

Justin F. Casner

Robert L. Powell

Harold P. Hill

Commissioners

