

ORIGINAL

Decision No. 43085

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application  
of OILFIELDS TRUCKING COMPANY, a  
California Corporation, to execute  
a chattel mortgage, note and trust  
deed.

Application  
No. 30437

O P I N I O N

This is an application by Oilfields Trucking Company to issue two notes, one in the principal amount of \$375,000, and the other in the principal amount of \$30,000, and to execute a mortgage of chattels and a deed of trust for the purpose of obtaining funds to pay outstanding indebtedness.

Oilfields Trucking Company is a corporation organized under the laws of the State of California on or about January 5, 1931. For many years it was engaged as a radial highway common carrier and a highway contract carrier in the transportation of petroleum products throughout the State of California. By Decision No. 42623, dated March 15, 1949, the Commission granted applicant a certificate of public convenience and necessity to operate as a highway common carrier upon and along the routes designated in said decision for the transportation of petroleum products, in bulk, except liquefied petroleum gases and any other petroleum products requiring pressurized tanks, and except liquid asphalt and hot road oils and any other petroleum products requiring insulated tanks.

Applicant reports that for the five months ending May 31, 1949, its operating revenue amounted to \$500,706.90, with a net loss for the period of \$54,718.10. It reports its

assets and liabilities as of May 31, 1949, as follows:

<u>Assets</u>		
Current assets-		
Cash	\$ 25,013.07	
Accounts receivable	260,203.38	
Materials and supplies	<u>52,319.88</u>	
Total current assets		\$337,536.33
Tangible assets-		
Property and equipment	1,292,270.53	
Less- depreciation reserve	<u>821,353.22</u>	
Balance	470,917.31	
Non-operating property	<u>2,522.03</u>	
Total tangible assets		473,439.34
Intangible assets		1,166.84
Advances to associated companies		106,215.10
Deferred debits		<u>45,230.76</u>
Total		<u>\$963,588.37</u>

<u>Liabilities</u>		
Current liabilities-		
Accounts payable	\$ 210,000.36	
Taxes accrued	27,496.09	
Advances	<u>80,184.18</u>	
Total current liabilities		\$317,682.63
Long term obligations		327,721.46
Deferred credits		4,878.95
Capital stock		81,306.65
Surplus		<u>231,998.68</u>
Total		<u>\$963,588.37</u>

The outstanding long term obligations include the following:

<u>Payee</u>	<u>Amount</u>
Bank of America, Vernon Branch	\$250,843.50
Bank of America, Fresno Branch	50,892.83
Fruehauf Trailer Co.	19,150.00
Western Investment Co.	4,477.10
Weber Trailer & Mfg. Co.	412.00
Geo. Habermelde, Inc.	551.25
Yellow Mfg. Accept. Corp.	367.35
Crook Company	<u>1,027.43</u>
Total	<u>\$327,721.46</u>

In addition to the outstanding indebtedness shown on the balance sheet, applicant reports that it has become liable for a judgement for personal injuries in the amount of \$135,000 arising from a proceeding brought by one Dennis Chappell in the

Superior Court in and for the county of Kern, that the extent of the insurance coverage then carried by it was \$50,000, leaving a balance for which it is directly liable of \$85,000.

In order to obtain funds to satisfy said judgment and to pay and consolidate, in part, its outstanding long term obligations, applicant proposes to borrow the sum of \$405,000 from Bank of America National Trust and Savings Association, Vernon Branch. Said sum will be represented by two notes, one for \$375,000 payable in monthly installments of \$8,930, with interest at the rate of 5% per annum, and the other in the amount of \$30,000, payable in monthly installments of \$570, with interest at the rate of 5% per annum. The note for \$375,000 will be secured by a mortgage of chattels covering applicant's automotive equipment, while the note for \$30,000 will be secured by a deed of trust covering certain real property owned by it.

A copy of the proposed mortgage of chattels has been filed in this proceeding as Exhibit "C" and a copy of the proposed deed of trust as Exhibit "D".

O R D E R

The Public Utilities Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, that the money, property or labor to be procured or paid for through the issue of notes in the aggregate amount of \$405,000 is reasonably required by Oilfields Trucking Company for the purposes specified herein, and that this application should be granted, as herein provided, therefore,

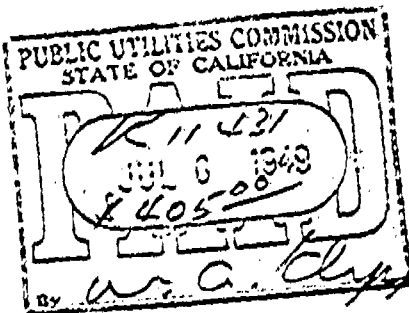
IT IS HEREBY ORDERED as follows:

1. Oilfields Trucking Company, after the effective date hereof and on or before August 31, 1949, may execute a mortgage of chattels and a deed of trust in, or substantially in, the same form as those filed in this proceeding as Exhibit "C" and Exhibit "D" respectively, and may issue two promissory notes, one in the principal amount of \$375,000, and the other in the principal amount of \$30,000, payable as indicated in the opinion preceding this order, for the purpose of discharging the outstanding judgment and in part, outstanding long term indebtedness to which reference is made in the preceding opinion.

2. Oilfields Trucking Company, within thirty days after the issue of the notes herein authorized, shall file with the Commission a copy of each note as actually issued, together with a statement showing the purposes for which the proceeds were used.

3. The authority herein granted will become effective when Oilfields Trucking Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$405.00.

Dated at San Francisco, California, this 6<sup>th</sup> day of July, 1949.



A. J. [Signature]  
[Signature]  
[Signature]  
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Commissioners