

ORIGINAL

Decision No. 42862

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of CLARK BROS. MOTOR TRANSPORT,  
INC., a corporation, for an order  
authorizing it to refund certain  
obligations and to encumber certain  
of its operative properties.

Application  
No. 30952

O P I N I O N

This is an application for an order of the Commission authorizing Clark Bros. Motor Transport, Inc. to execute a mortgage of chattels and to issue a note for \$52,909.37 for the purpose of refunding outstanding indebtedness.

Applicant is a California corporation engaged in business as a highway common carrier of property generally between points in the Counties of San Francisco, Santa Cruz, Monterey, San Benito, Alameda and Santa Clara as set forth in certificates heretofore granted by the Commission. For the ten months ending October 31, 1949, it reports its operating revenues at \$416,657.75 with a net loss of \$8,251.77, after deducting depreciation charges of \$20,248.81. It reports its assets and liabilities, as of October 31, 1949, as follows:

|                                |                   |                     |
|--------------------------------|-------------------|---------------------|
| <u>Assets</u>                  |                   |                     |
| Current assets-                |                   |                     |
| Cash and working funds         | \$ 9,244.21       |                     |
| Special deposits               | 4,099.25          |                     |
| Accounts receivable            | 25,274.81         |                     |
| Materials and supplies         | <u>6,600.23</u>   |                     |
| Total-current assets           |                   | \$ 45,218.50        |
| Tangible property-             |                   |                     |
| Carrier operating property     | 311,721.68        |                     |
| Less: reserve for depreciation | <u>135,587.80</u> |                     |
| Net tangible property          |                   | 176,133.88          |
| Intangible property            |                   | 1,155.44            |
| Other investments              |                   | 321.60              |
| Deferred debits                |                   | <u>31,129.92</u>    |
| Total                          |                   | <u>\$253,959.34</u> |

| <u>Liabilities</u>        |                     |
|---------------------------|---------------------|
| Current liabilities-      |                     |
| Notes payable             | \$53,641.43         |
| Accounts payable          | 29,573.38           |
| C.O.D's unremitted        | 710.73              |
| Accrued liabilities       | <u>3,850.54</u>     |
| Total current liabilities | \$ 87,776.08        |
| Equipment obligations     | 14,079.00           |
| Deferred credits          | 2,036.35            |
| Common stock              | 151,624.95          |
| Earned surplus            | <u>(1,557.04)</u>   |
| Total                     | <u>\$253,959.34</u> |

It appears that applicant, for the purpose of paying indebtedness and of financing the cost of equipment, heretofore issued to Bank of America National Trust and Savings Association two notes, each payable on or before twelve months after date of issue, with interest at the rate of 5% per annum. The notes are past due now. One note, in the principal amount of \$61,330.18, was issued on July 10, 1948, and was payable in monthly installments of \$1,843 with a balloon payment of \$41,057.18 on July 10, 1949. The other note, in the principal amount of \$18,000, was issued on April 27, 1949, and matured on July 10, 1949. Applicant has made payments on the principal amount of the note dated July 10, 1948, but has made no payment on interest on either note since July 1, 1949. The amounts due as of February 1, 1950, were as follows:

|  |   |                    |
|--|---|--------------------|
| Principal on note dated July 10, 1948  | - | \$30,184.18        |
| Principal on note dated April 27, 1949 | - | 18,000.00          |
| Accrued interest from July 1, 1949     | - | <u>1,498.14</u>    |
| Total                                  |   | <u>\$49,682.32</u> |

In order to pay and discharge this indebtedness applicant proposes to borrow additional funds from Bank of America National Trust and Savings Association, Watsonville Branch, and to issue to it a note for \$52,909.37, including prepaid interest of \$3,227.05. The note will be payable in monthly installments of \$1,765.00 with a final installment of \$1,724.37 on August 1, 1952. Its payment will be secured by a mortgage of chattels on applicant's equipment.

It clearly appears that applicant has need for the funds to be obtained through the issue of the proposed note.

O R D E R

The Commission having considered the above entitled matter and being 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 a note for \$52,909.37 is reasonably required by Clark Bros. Motor Transport, Inc. for the purpose specified herein,

IT IS HEREBY ORDERED as follows:

1. Clark Bros. Motor Transport, Inc., after the effective date hereof and on or before June 30, 1950, for the purpose of paying outstanding indebtedness, may issue a note in the principal amount of \$52,909.37 and may execute a mortgage of chattels to secure the payment of the same, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively.
2. Applicant shall file with the Commission a report, or reports, as required by 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 applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is fifty-three (\$53.00) dollars.

Dated at San Francisco, California, this 14th day  
of February 1950.

R. Z. Dunderman  
Justice F. Casper  
Justice H. L. Russell  
Harold P. Kelle  
Benjamin F. Potter

Commissioners

