

ORIGINAL

Decision No. 43995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of BATTEATE LIVESTOCK TRANSPORTATION
CO., a corporation, for authority to
execute a promissory note and chattel
mortgage.

Application
No. 31117

O P I N I O N

Batteate Livestock Transportation Co., a corporation engaged in business as a highway common carrier of livestock between numerous points in California, asks permission to execute a mortgage of chattels and to issue a note in the principal amount of \$43,000 for the purpose of paying indebtedness, of financing the cost of property and of providing working capital.

Applicant reports that in the conduct of its business it found it necessary to issue short term unsecured notes in the principal amount of \$14,000, that it now desires to pay said notes and to borrow additional sums to purchase, at an estimated cost of \$24,500, 2 Peterbilt trucks and 2 trailers with cattle racks, and that it proposes to issue its note for \$43,000 to Bank of America National Trust & Savings Association to finance these requirements and to provide additional working capital which is said to be necessary in the conduct of its operations. The proposed note will be payable in monthly installments of \$2,377 with interest at the rate of 5% per annum on the unpaid balance. Payment will be secured by a mortgage of chattels covering applicant's equipment.

A financial statement filed by applicant shows, for the year 1949, operating revenues of \$446,658.29 and net income for the year of \$20,332.71. The statement shows assets and liabilities as of December 31, 1949, as follows:

<u>Assets</u>		
Current assets-		
Cash	\$18,005.10	
Accounts receivable	15,097.16	
Materials and supplies	17,705.28	
Prepaid expense	<u>2,586.97</u>	
Total current assets		\$ 53,394.51
Carrier equipment, less reserve for depreciation		168,896.81
Deferred debits		<u>5,135.46</u>
Total		<u>\$227,426.78</u>

<u>Liabilities</u>		
Current liabilities-		
Notes payable	\$14,000.00	
Accounts payable	23,467.69	
Taxes payable	18,328.96	
Payroll payable	2,270.57	
Equipment obligations	<u>13,493.75</u>	
Total current liabilities		\$ 71,560.97
Secured loan		11,922.93
Due to stockholders		4,804.09
Capital stock		50,000.00
Surplus		<u>89,138.79</u>
Total		<u>\$227,426.78</u>

A review of the application clearly indicates that applicant has need for the funds to be obtained through the issue of a note to improve its financial position and to finance the cost of equipment.

ORDER

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, that the money, property or labor to be procured or paid for through the issue of a note for \$43,000 is reasonably required by applicant 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. Batteate Livestock Transportation Co., after the effective date hereof and on or before July 31, 1950, may execute a mortgage of chattels in substantially the same form as that filed in this proceeding as Exhibit A and may issue its promissory note in the principal amount of \$43,000.

2. Applicant shall use approximately \$14,000 of the proceeds to be obtained through the issue of said note to pay outstanding short term loans, approximately \$24,500 to pay for 2 new trucks and trailers, and the remaining proceeds to maintain and improve its service and provide working capital.

3. 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.

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 \$43.00.

Dated at Los Angeles, California, this 7th day of April 1950.

A. J. [Signature]
Justice J. Calver
[Signature]
Harold P. [Signature]
[Signature]
Commissioners

