

Decision No. 44614

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Ray Withers and Andrew Byrd,
a copartnership doing business as
and under the firm name and style
of SAN MATEO TRANSIT, for authority
to execute a Promissory Note and
Deed of Trust.

Application
No. 31580

ORIGINAL

O P I N I O N

This is an application for an order authorizing Ray Withers and Andrew Byrd, a copartnership doing business as San Mateo Transit, to issue a promissory note in the principal amount of \$12,000.00 to Bank of America National Trust and Savings Association, and to execute a deed of trust to secure the payment of said note, for the purpose of paying or refunding outstanding indebtedness and of providing working capital.

Applicants are engaged in rendering motor bus service as a common carrier of passengers within and between several communities in San Mateo County. For the year ended December 31, 1949 they report their operating revenues at \$143,038.58, their net operating revenues at \$6,987.12 and their net profit at \$4,060.84, after interest and other income deductions. The investment in assets and the liabilities and partnership capital as of December 31, 1949 are reported as follows:

<u>Assets</u>		
Cash		\$ 3,707.76
Other current assets		8,899.43
Carrier operating property	\$113,045.30	
Less: Reserve for depreciation	<u>61,490.48</u>	51,554.82
Nonoperating property - Land		4,750.64
Intangible property		500.00
Prepayments		<u>3,892.46</u>
Total Assets		<u>\$73,305.11</u>

<u>Liabilities</u>		
Current liabilities		\$ 8,297.90
Equipment obligations		19,834.57
Partnership capital		<u>45,172.64</u>
Total Liabilities		<u>\$73,305.11</u>

Applicants report that heretofore they purchased operating equipment necessary in the conduct of their business and executed promissory notes and chattel mortgages to finance the purchase price. The monthly payments under said chattel mortgages and promissory notes aggregate \$923.72 per month and the total outstanding balance at June 29, 1950, was reported at \$11,398.68.

Applicants further report that they have found it difficult to meet the monthly payments of \$923.72 required under the presently outstanding chattel mortgages and promissory notes and that they desire to refinance the remaining unpaid balances through the issue of a new promissory note, in the principal amount of \$12,000.00, to Bank of America National Trust and Savings Association. The proceeds from said note not needed to pay the outstanding indebtedness will be used to provide additional working capital.

The note which applicants propose to issue will be secured by a deed of trust. The principal and interest will be payable in one initial payment of \$175.00, or more, and 82 equal successive monthly payments of \$175.00, or more, after which the entire balance of principal and interest then unpaid shall be due and payable. The note provides that all unpaid balances of principal shall bear interest at the rate of 6% per annum. A copy of the note and a copy of the deed of trust which applicants propose to execute are attached to the application as Exhibits C-1 and C-2 respectively.

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 and 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 the note herein authorized is reasonably required by applicants for the purposes stated 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:

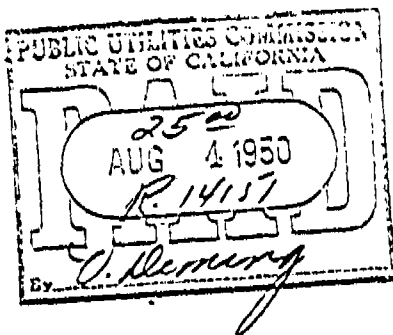
1. Ray Withers and Andrew Byrd, copartners doing business as San Mateo Transit, after the effective date hereof and on or before September 30, 1950, may execute a deed of trust and issue a note in the principal amount of not exceeding \$12,000.00 for the purpose of paying or refunding indebtedness

and of providing additional working capital, which note and deed of trust shall be in, or substantially in, the same form as those attached to the application as Exhibits C-1 and C-2 respectively.

2. Ray Withers and Andrew Byrd shall file with this Commission a report of the issue of the note 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 Ray Withers and Andrew Byrd have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

Dated at Los Angeles, California, this 1st day of August 1950.



Justus F. Cravens
Greg. A. Powell
Harold A. Kule
Samuel P. Patten
Commissioners