

Decision No. 44951

CONFIDENTIAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA CARTAGE COMPANY, INC., a corporation, for an order authorizing the issuance of a promissory note and chattel mortgage securing the same.

Application  
No. 31844

O P I N I O N

In this application the Commission is asked to make an order authorizing California Cartage Company, Inc. to issue a promissory note and to execute a chattel mortgage as security for payment of said note.

Applicant is a corporation organized under the laws of the State of California and is engaged in the business of transportation of property by motor vehicles. Its operations consist generally of the following: Highway common carrier operations between Los Angeles area and the San Diego area, permitted carrier operations in Los Angeles and vicinity, and interstate operations under authority of the Interstate Commerce Commission between the Los Angeles Harbor Zone and the Los Angeles Commercial Zone.

Applicant, in Exhibit C filed with the application, reports for the 8 months ended August 31, 1950, operating revenues of \$296,014.14, operating expenses including Federal income taxes of \$284,360.38, net non-operating income of \$5,720.86, and net income to surplus of \$17,374.62. In summary form Exhibit C attached to the application shows applicant's assets and liabilities as of August 31, 1950, as follows:

<u>Assets</u>	
Cash	\$ 22,811.37
Notes and accounts receivable - Net of reserves	51,632.14
Other current assets	21,291.98
Property - Net of reserves	91,217.52
Investments	30,846.88
Franchises	3,500.00
Other assets	750.00
Deferred charges	<u>2,141.54</u>
<b>Total Assets</b>	<b><u>\$224,191.43</u></b>

<u>Liabilities and Net Worth</u>	
Current liabilities	\$101,670.31
Equipment purchase obligations	21,748.08
Long term obligations	50,650.00
Capital stock	15,000.00
Earned surplus	<u>35,123.04</u>
<b>Total Liabilities and Net Worth</b>	<b><u>\$224,191.43</u></b>

Applicant reports that during the months of August and September, 1950, it purchased 8 trucks, 3 tractors and 2 trailer vans for use in its transportation business at a total cost of \$42,321.81. A list of the vehicles purchased and their respective costs is attached to the application as Exhibit D. At the time the equipment was acquired, applicant borrowed \$15,000 on a short term unsecured note in order to finance in part the purchase price. Applicant now proposes to issue a promissory note secured by a chattel mortgage in the amount of \$38,300, in order to discharge and refund the short term obligation of \$15,000 and to reimburse its treasury in part for the amounts expended in connection with the purchase of the equipment previously described. The \$38,300 promissory note which applicant requests authority to issue is to be executed in favor of Citizens National Trust & Savings Bank and is to be repaid over a period of 36 months with monthly payments of \$1,000 during each of the first 35 months and a final payment of \$3,300. Interest is to be paid quarterly at the rate of 5%

per annum on deferred balances. A copy of the promissory note which applicant proposes to issue is attached to the application as Exhibit A. There is also attached to the application as Exhibit B a copy of the chattel mortgage which applicant proposes to issue as security for the promissory note. The equipment covered by the chattel mortgage includes the 13 pieces purchased in August and September, 1950, together with 6 sedans, 10 tractors and 7 trucks previously acquired by applicant.

A review of the application indicates that applicant has need for the funds to be procured through the issue of the promissory note and the execution of the chattel mortgage.

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 money, property or labor to be procured or paid for through the execution of the promissory note herein authorized is reasonably required by California Cartage Company, Inc. 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:

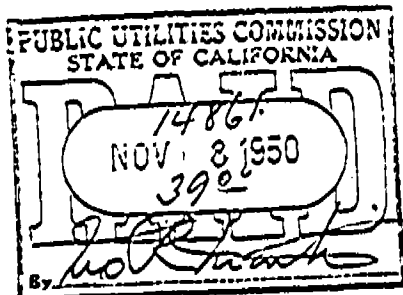
1. California Cartage Company, Inc., after the effective date hereof and on or before January 31, 1951, for the purposes set forth in this application, may issue a promissory note and execute a chattel mortgage in, or substantially in, the same form as that filed in this proceeding as Exhibits A and B

respectively, providing for deferred payments in the aggregate amount of not exceeding \$38,300.

2. Applicant shall file with the Commission a copy of the promissory note and the chattel mortgage executed under the authority herein granted within thirty days after date thereof.

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 \$39.00.

Dated at San Francisco, California, this 30<sup>th</sup> day of October 1950.



Q. E. Zimmerman  
Justice J. C. Cramer  
W. H. Powell  
Harold Hill  
Levitt R. Patten  
Commissioners