

ORIGINAL

Decision No. 45108

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Thompson Bros., Inc. to issue and	:	
guarantee jointly with Terminal Freight)	
Lines a \$28,750 note for the purpose of	:	Application
consolidating existing obligations and)	No. 31961
purchasing and modernizing trucking	:	
equipment.)	
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OPINION AND ORDER

Thompson Bros., Inc., applicant herein, is engaged in business as a public utility warehouseman in San Francisco, and also as a city drayman. In this application, it seeks authority to issue a note in the principal amount of \$28,750 jointly with Terminal Freight Lines, a highway contract carrier, radial highway common carrier, and a city carrier, operating in and about San Francisco.

Information on file with the Commission shows that John W. Kemp, Jr. owns all the outstanding stock of applicant and that, as a partner, he owns a 90% interest in Terminal Freight Lines. The two companies are under the same management, with the local draying activities closely integrated with the public utility warehouse operations of applicant. Financial statements filed in this proceeding show, for applicant, as of June 30, 1950, net investment in assets at \$40,249.30 and outstanding liabilities at \$29,726.13, and for Terminal Freight Lines, as of September 30, 1950, net investment in assets at \$38,228.98 and indebtedness of \$19,722.32.

It appears that Terminal Freight Lines now proposes to purchase two G.M.C. tractors at a cost of \$9,970, and that

arrangements have been made with Bank of America National Trust and Savings Association for the two companies to issue a joint note in favor of said bank, in the amount of \$28,750, to finance the cost of the new equipment and to consolidate the existing one-year bank loans of the two companies. The note will be payable in monthly installments of \$825, with interest at the rate of 5% per annum. The payment of the note will be secured by a chattel mortgage on the trucking equipment. The Commission is advised that the mortgage will not be a lien on any of the public utility properties of applicant.

The proposed transaction will extend the time for payment of the presently outstanding loans, will permit the acquisition immediately of additional equipment said to be necessary in the local operations, and will result in a reduction in the total monthly charges under the existing loans from \$1,200 to \$825.

The Commission has considered this matter, and is 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 the note herein authorized 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,

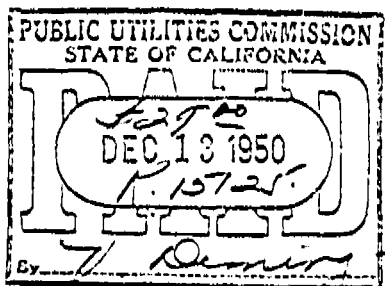
IT IS HEREBY ORDERED as follows:

1. Thompson Bros., Inc., after the effective date hereof and on or before March 31, 1951, jointly with Terminal Freight Lines, may issue a promissory note in the principal amount of not exceeding \$28,750, secured by a chattel mortgage on trucking equipment, for the purposes specified in this application.

2. Within thirty (30) days after the issue of said note, Thompson Bros., Inc. shall file with the Commission a copy of the same as actually issued, together with a copy of said chattel mortgage.

3. The authority herein granted will become effective when Thompson Bros., Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-nine (\$29.00) dollars.

Dated at San Francisco, California, this 12th day of December, 1950.



R. E. Anderson
Justus F. Grewer
Leah H. Linnell
Harriet H. Kula
Francis H. Patten
Commissioners