

Decision No. 45280

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of LYON VAN & STORAGE CO., for an	:	
Order Authorizing Applicant to)	Application
Issue a Note for \$500,000.00.	:	No. 32039
-----)	

O P I N I O N

This is an application for an order of the Commission authorizing Lyon Van & Storage Co. to execute a deed of trust and to issue a promissory note in the principal amount of \$500,000 for the purpose of paying outstanding indebtedness and of providing working capital.

Records filed with the Commission show that Lyon Van & Storage Co. is a California corporation engaged in business as a highway contract carrier, a radial carrier, and as a city carrier, and in addition as a public utility warehouseman with tariffs on file naming rates for storage in Alhambra, Beverly Hills, Fresno, Glendale, Long Beach, Los Angeles, Pasadena, San Diego and Santa Barbara. It has reported, for the year 1949, storage and rental revenues of \$743,584 and revenues from other sources at \$2,393,040, a total of \$3,136,624, and for the first nine months of 1950, storage and rental revenues of \$526,536 and other revenues of \$1,876,310, a total of \$2,402,846. It has reported its net profit from all sources at \$165,993 for 1949 and at \$147,957 for the period ended September 30, 1950.

Applicant's assets and liabilities as reflected by its balance sheet of September 30, 1950, filed in this proceeding as Exhibit 1-a, are as follows:

Assets

Tangible property, less depreciation reserves		\$1,252,515.29
Other investments		813,855.03
Current assets -		
Cash and deposits	\$105,968.38	
Accounts receivable	621,671.34	
Material and supplies	15,903.66	
Inventories	<u>97,080.05</u>	
Total current assets		840,623.43
Prepayments		<u>19,974.95</u>
	Total	<u>\$2,926,968.70</u>

Liabilities

Equipment and long-term obligations		\$ 429,752.66
Current liabilities -		
Accounts payable	\$265,981.18	
Advances payable	80,568.50	
Accrued taxes	129,097.27	
Other current liabilities	<u>166,307.65</u>	
Total current liabilities		641,954.60
Deferred credits		6,470.27
Capital stock		653,800.00
Surplus		<u>1,194,991.17</u>
	Total	<u>\$2,926,968.70</u>

The application shows that applicant is in need of additional funds to increase its working capital and that it proposes to borrow \$500,000 from Bank of America National Trust and Savings Association for this purpose and also for the purpose of consolidating existing loans in the principal amount of approximately \$400,000, as set forth in the application. The sum to be thus borrowed will be represented by a note, payable in monthly installments of \$6,500 with interest at the rate of 4-1/2% per annum on deferred balances. Its payment will be secured by a deed of trust covering applicant's warehouse properties at Beverly Hills, Glendale, Long Beach, Los Angeles and Pasadena.

The Commission is advised that applicant as a highway carrier has received from the Interstate Commerce Commission authority to issue its note for \$500,000. However, because the payment of the note will be secured by a deed of trust covering public utility

warehouse properties, it appears to the Commission that authorization to issue said note and to execute the deed of trust also should be obtained from it. Accordingly, an order will be entered in this proceeding.

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; 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,

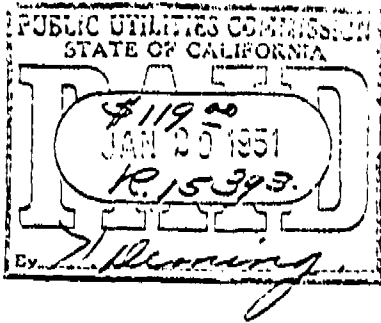
IT IS HEREBY ORDERED as follows:

1. Lyon Van & Storage Co., after the effective date hereof and on or before June 30, 1951, may issue a note in the principal amount of not exceeding \$500,000 for the purposes set forth in this application, and may execute a deed of trust to secure the payment thereof, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit 2-a and Exhibit 2-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.

Dated at San Francisco, California, this 23rd day of
January, 1951.



[Signature]
Justice F. Crocker
Harold A. Kula
[Signature]
Commissioners