

Decision No. 45502

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of THE CARROLL COMPANY
for authority to execute note
and deed of trust.

Application
No. 32217

OPINION AND ORDER**ORIGINAL**

The Carroll Company, a California corporation, applicant herein, is engaged in business as a highway common carrier for the transportation of petroleum and petroleum products under authority granted by this Commission in Decision No. 42623, dated March 15, 1949. In this application it requests authority to execute a deed of trust and issue a promissory note in the principal amount of \$150,000 in order to refund outstanding indebtedness.

Applicant advises that as of December 31, 1950, its long term obligations, excluding equipment obligations, included the following:

Signal Trucking Service, Ltd.	\$161,602.99
Bank of America National Trust and Savings Association	35,896.75
Reed E. Parkins	7,733.39
Total	<u>\$205,233.13</u>

Signal Trucking Service, Ltd., an affiliated company, has called upon applicant to reduce the amount of the indebtedness to it. To accomplish this purpose, and to consolidate obligations, applicant proposes to issue its promissory note to Bank of America National Trust and Savings Association in the amount of \$150,000. The proceeds from the issue of the note will be utilized as follows:

Payment on indebtedness to Signal Trucking Service, Ltd.	\$115,274.68
Payment in full of current balance on note to Bank of America National Trust and Savings Association	<u>34,725.32</u>
Total	<u>\$150,000.00</u>

The note which applicant proposes to issue will be payable in 60 equal consecutive installments of \$2,830.70 or more, each, bearing interest at the rate of 5% per annum on declining balances. A copy of the note which applicant proposes to issue is attached to the application as Exhibit A. To secure payment of the note, applicant proposes to execute a deed of trust on certain real property which it owns and currently is leasing to Signal Trucking Service, Ltd. A copy of the deed of trust which applicant proposes to issue is attached to the application as Exhibit B.

The Commission has considered this matter and is of the opinion 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 promissory note herein authorized is reasonably required by applicant for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. The Carroll Company, a corporation, after the effective date hereof and on or before August 31, 1951, may execute a deed of trust and issue a promissory note providing for deferred payments aggregating not in excess of \$150,000 for the purpose of refinancing and consolidating certain obligations referred to herein. The promissory note and the deed of trust so executed shall be in, or substantially in, the same form as those filed in this proceeding as Exhibits A and B respectively.

2. Within thirty days after the execution of said promissory note and deed of trust, applicant shall file a copy of each with the Commission.

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 \$150.00.

Dated at San Francisco, California, this 3rd day of April 1951.

R. T. [Signature]
Justice J. Calles
Harold S. Huls
[Signature]
John E. [Signature]

Commissioners

