

ORIGINAL

Decision No. 45575

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
W. W. MILES and PAT L. NOLET,)
copartners doing business as)
MILES & SONS TRUCKING SERVICE,)
for authority to execute a promissory)
note, chattel mortgage, and continuing)
guaranty.)
-----)

Application
No. 32270

O P I N I O N

This is an application for an order of the Commission authorizing W. W. Miles and Pat L. Nolet, copartners doing business as Miles & Sons Trucking Service, to issue a promissory note in the principal amount of \$250,000, and to execute a mortgage of chattels to secure the payment of the same, and to execute a continuing guaranty to Bank of America National Trust and Savings Association guaranteeing the payment of indebtedness, not to exceed \$200,000 at any one time, of Motor Transport System and of Miles & Sons, Inc.

Applicants are engaged in business as highway common carriers of property and as petroleum irregular route carriers within the State of California. In addition, they are engaged, under the name of Motor Transport System, in operating as highway contract and radial highway common carriers and they are the principal stockholders of Miles & Sons, Inc. In Exhibit E they report, for 1950, carrier operating revenues (of Miles & Sons Trucking Service) of \$4,212,516.79 and other income of \$51,591.75, a total of \$4,264,108.54, with net income of \$265,514.97, before provision for income taxes. They report their assets, liabilities and net worth

as of January 31, 1951, as follows:

Assets

Tangible property -		
Carrier operating property	\$1,119,751.26	
Less-Reserve for depreciation	<u>701,294.89</u>	
Net tangible property		\$ 418,456.37
Investments and advances		151,049.98
Current and prepaid assets		<u>625,145.03</u>
	Total	<u>\$1,194,651.38</u>

Liabilities and Net Worth

Equipment obligations	\$ 265,751.11
Current liabilities	415,061.57
Deferred credits	141,992.90
Partnership capital	<u>371,845.80</u>
	Total
	<u>\$1,194,651.38</u>

The equipment obligations of \$265,751.11 include \$15,751.11 in favor of W. R. Miles on open account and \$250,000 in favor of Bank of America National Trust and Savings Association represented by six notes or contracts payable during 1951, 1952 and 1953 with interest at 5% on \$14,850.55 and at 4-1/2% on the remainder. Applicants report that they desire to issue the new note to Bank of America National Trust and Savings Association in the principal amount of \$250,000, in order to consolidate the presently outstanding obligations. The new note will be payable in monthly installments of \$5,701, with interest at the rate of 4-1/2% per annum, and will be secured by a mortgage of chattels covering their equipment.

As to the request of applicants to execute a guaranty, it is reported that Motor Transport System and Miles & Sons, Inc., from time to time find it necessary to borrow money from Bank of America National Trust and Savings Association in order to purchase equipment and facilities and that said bank requires applicants, because of their control of the operations, to guarantee the payment of such

obligations. A copy of the form of the required guaranty has been filed in the proceeding as Exhibit B. Under its terms the liability of applicants shall not exceed, at any one time, the sum of \$200,000.

ORDER

The Commission has considered the above entitled 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 applicants 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. W. W. Miles and Pat L. Nolet, copartners doing business as Miles & Sons Trucking Service, after the effective date hereof and on or before August 31, 1951, may execute a mortgage of chattels and issue a note in the principal amount of \$250,000, in, or substantially in, the same form as those filed in this proceeding as Exhibit A, for the purpose of paying or refunding indebtedness of like amount now outstanding.

2. W. W. Miles and Pat L. Nolet, copartners doing business as Miles & Sons Trucking Service, after the effective date hereof and on or before August 31, 1951, may execute a continuing guaranty in, or substantially in, the same form as that filed in this proceeding as Exhibit B.

3. Applicants shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar

as applicable, is made a part of this order.

4. The authority herein granted will become effective when applicants have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is two hundred fifty (\$250.00) dollars.

Dated at San Francisco, California, this 17th day of April, 1951.

R. J. Anderson
Justice J. C. Calver
Harold H. Hule
Samuel P. Butler
John E. Mitchell
Commissioners

