

Decision No. 45629

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of G. V. Clark and D. A. Mitchell	:	
doing business as RISKE TRUCKING CO.)	Application
for authority to issue promissory	:	No. 32327
note and execute chattel mortgage.)	
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O P I N I O N

This is an application for an order authorizing G. V. Clark and D. A. Mitchell to execute a mortgage of chattels and promissory note in the principal amount of \$250,000 for the purpose of paying indebtedness and of providing working capital.

Information on file with the Commission shows that applicants, doing business as Riske Trucking Co., are engaged in the transportation of property by motor vehicles and have been so engaged since 1946. It appears that prior to 1950 they had permits to operate as radial highway common carriers and highway contract carriers, but that by Decision No. 43731, dated January 24, 1950, as amended, they were authorized to conduct operations as highway common carriers generally between Sacramento and Stockton and the San Francisco Bay territory, and points in the Sacramento Valley as set forth in said decision, as amended. Their annual report to the Commission for the year 1950 shows operating revenues of \$1,302,715 and net income of \$14,041, before provision for taxes on income.

A statement of applicants' assets and liabilities, as of December 31, 1950, is as follows:

Assets

Current assets -		
Cash	\$ 2,755	
Accounts receivable	41,372	
Material and supplies	<u>75,386</u>	
Total current assets		\$119,513
Tangible property -		
Carrier operating property	508,545	
Less-depreciation reserve	<u>263,311</u>	
Net tangible property		245,234
Intangible capital		2,000
Prepayments		<u>11,665</u>
	Total	<u>\$378,412</u>

Liabilities

Current liabilities -		
Notes payable	\$ 22,948	
Accounts payable	47,141	
Accrued liabilities	<u>5,430</u>	
Total current liabilities		\$ 75,519
Equipment obligations		185,462
Miscellaneous reserves		2,616
Proprietorship capital		<u>114,815</u>
	Total	<u>\$378,412</u>

The foregoing balance sheet shows that applicants had outstanding at the close of the year equipment obligations in the aggregate amount of \$185,462, which were reported to have been incurred for the purchase of equipment and which are payable during the years 1951 to 1954 with interest at rates varying from 5% to 6% per annum. In the present proceeding, applicants report that the amount of the equipment obligations has been increased to \$211,342 and that they desire to consolidate all the existing contracts into one installment note and to provide for additional sums for working capital. To this end they have made arrangements to borrow \$250,000 from American Trust Company.

The sum to be thus borrowed will be represented by a note payable in equal monthly installments over a period of approximately 36 months, each monthly installment to be in the amount of \$7,605 including interest at the rate of 6% per annum.

A review of the application indicates that applicants will have need for the proceeds to be received through the issue of the proposed note.

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 execution of the mortgage of chattels and promissory 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. G. V. Clark and D. A. Mitchell, doing business as Riske Trucking Co., after the effective date hereof and on or before September 30, 1951, may execute a mortgage of chattels and promissory note in the principal amount of not exceeding \$250,000, in, or substantially in, the same form as that filed in this proceeding as Exhibit A, for the purpose of paying outstanding indebtedness and of providing working capital to maintain and improve their service.

2. Applicants shall file with the Commission a copy of the mortgage of chattels and promissory note executed under the authority herein granted, such filing to be made within thirty (30) days after the date of such instrument.

3. 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 1st day of May, 1951.

R. Z. Thompson
James J. Calver
Harold P. Hill

Samuel H. Potter
John E. Mitchell
Commissioners

