

**ORIGINAL**

Decision No. 46481

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of SIGNAL TRUCKING SERVICE, LTD.,	:	Application
for authority to execute evidence	)	No. 32863
of indebtedness.	:	
-----	)	

O P I N I O N

Signal Trucking Service, Ltd., applicant herein, is a California corporation engaged in business as a highway common carrier of property between Los Angeles and the Los Angeles harbor area. In this application it requests authority to execute an agreement providing for payments of \$31,228.20 over a period of more than twelve months for the purchase of 5,012 shares of its outstanding stock.

The verified application shows that applicant has an authorized capital stock of 200,000 shares, all common, of the par value of \$1 each, of which 130,192 shares presently are outstanding. Applicant's latest annual report shows that such shares, on December 31, 1950, were held by the following:

John E. Carroll	110,180
Estate of Dan W. Carroll	5,012
John E. Carroll, Jr.	5,000
Nancy Carroll	5,000
Michael Carroll	5,000

Applicant reports that Dorothy Carroll, the widow of Dan W. Carroll, now owns the 5,012 shares of stock formerly held by the estate of Dan W. Carroll, that she intends to dispose of the same, and that all the remaining shareholders do not desire said shares to be sold to others than the Carroll family and have agreed to the re-acquisition of the shares by the corporation for the total sum of \$31,228.20, payable as follows:

1. In cash upon execution of the agreement to purchase said shares	\$ 6,800.00
2. In deferred payments at the rate of \$250 a month up to and including August 1, 1952, then at the rate of \$300 a month up to and including August 1, 1953, and thereafter at the rate of \$350 a month, together with interest at the rate of 4% per annum upon deferred balances	23,272.00
3. Through the transfer of one 1949 Chevrolet four-door sedan	<u>1,156.20</u>
Total	<u>\$31,228.20</u>

Applicant's financial position as of September 30, 1951, is indicated in the following balance sheet:

Assets

Current assets -	
Cash	\$ 22,801.09
Notes and accounts receivable	210,630.59
Materials and supplies	91,641.93
Prepayments	107,410.17
Miscellaneous	<u>12.78</u>
Total current assets	\$ 432,496.56
Tangible property -	
Total amount	1,696,039.42
Less-depreciation reserve	<u>1,096,896.40</u>
Net tangible property	599,143.02
Intangible property	5,112.00
Other investments	163,150.18
Deferred charges	<u>26,275.60</u>
Total	<u>\$1,226,177.36</u>

Liabilities and Net Worth

Current liabilities -	
Accounts payable	\$ 410,649.96
Accrued liabilities	<u>59,557.78</u>
Total current liabilities	\$ 470,207.74
Long-term debt	161,311.50
Deferred credits	4,049.13
Net worth -	
Common stock	130,192.00
Surplus	<u>460,416.99</u>
Total net worth	<u>590,608.99</u>
Total	<u>\$1,226,177.36</u>

The long-term debt includes equipment and other long-term obligations. The Commission is informed that during the ensuing year

the company will be faced with payments on account of the principal in the amount of \$104,481 and on account of interest in the amount of \$4,356.76, a total of \$108,837.76.

A summary of applicant's revenues and expenses for the years 1949 and 1950 and for the first nine months of 1951, is shown below:

	<u>1949</u>	<u>1950</u>	<u>1951 9 Months</u>
Gross revenues	\$2,624,828	\$2,859,155	\$2,326,811
Operating expenses and taxes, excluding charges for de- preciation	<u>2,345,162</u>	<u>2,605,419</u>	<u>2,164,773</u>
Balance	279,666	253,736	162,038
Interest and other charges	<u>21,900</u>	<u>25,735</u>	<u>6,978</u>
Net income before charges for depreciation	257,766	228,001	155,060
Depreciation	<u>162,522</u>	<u>163,267</u>	<u>122,481</u>
Net income	<u>\$ 95,244</u>	<u>\$ 64,734</u>	<u>\$ 32,579</u>

A review of applicant's financial reports indicates that its earnings should be ample to provide for the payments of principal and interest on its presently outstanding indebtedness and on the indebtedness to be incurred under the agreement referred to in this application. Accordingly, an order will be entered granting applicant's request.

#### 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 agreement 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. Signal Trucking Service, Ltd., after the effective date hereof and on or before December 31, 1951, may execute an agreement in, or substantially in, the same form as that filed in this proceeding as Exhibit A providing for payments in the total amount of \$31,228.20 for the purchase of 5,012 shares of its outstanding stock.
2. The action taken herein shall not be construed to be a finding of the value of applicant's stock.
3. On or before January 31, 1952, applicant shall advise the Commission in writing of the action taken by it under the authority herein granted.
4. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904 of the Public Utilities Code, which fee is thirty-two (\$32.00) dollars.

Dated at San Francisco, California, this 4<sup>th</sup> day of December, 1951.

R. J. [Signature]  
President

Justin J. [Signature]  
Harold [Signature]  
[Signature]  
[Signature]  
Commissioners

