

ORIGINAL

Decision No. 45736

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
BATTEATE LIVESTOCK TRANSPORTATION CO.,	:	
for authority to execute a deed of)	Application
trust and promissory note.	:	No. 33097
-----)	

O P I N I O N

Batteate Livestock Transportation Co., a corporation engaged in business as a highway common carrier of livestock between numerous points in California, asks permission to issue a promissory note in the amount of \$15,000 for the purpose of paying indebtedness and of providing working capital, and to execute a deed of trust to secure the payment of said note.

Applicant reports that at the present time it is obligated to pay to the Bank of America National Trust and Savings Association the sum of \$1,146.31, being the balance due on an obligation incurred in 1949, that it must meet truck license obligations in excess of \$10,000, and that it does not have the funds to satisfy these obligations. It proposes to borrow the sum of \$15,000 from Bank of America National Trust and Savings Association to liquidate these items of indebtedness and to provide additional working capital of approximately \$3,800 said to be necessary in its operations.

The application indicates that arrangements have been made for the issue by applicant of a promissory note in the amount of \$15,000, payable in 30 monthly installments of \$500 each plus

interest at the rate of 5% per annum on the unpaid balance. As security for the note applicant proposes to execute a deed of trust on certain real property, together with a garage building located in Hayward, California.

In its annual report for the year 1950 applicant reports operating revenues of \$515,438.03 and net loss for year of \$5,203.18, after deducting depreciation expenses in the amount of \$44,902.14. For the eleven months ended November 30, 1951, applicant reports operating revenues of \$576,026.15 and net profit for the eleven months of \$19,717.85, after deducting \$47,042.13 for depreciation and \$11,312.34 for federal income and excess profits taxes. Exhibit E attached to the application shows assets and liabilities, as of November 30, 1951, as follows:

Assets

Current assets -		
Cash	\$19,251.71	
Accounts receivable	36,753.66	
Material and supplies	<u>23,458.76</u>	\$ 79,464.13
Carrier operating property and equipment less depreciation reserves		175,072.66
Deferred debits and prepayments		<u>28,275.72</u>
Total		<u>\$282,812.51</u>

Liabilities

Current liabilities -		
Accounts payable	\$39,027.26	
Accrued wages	3,936.94	
Accrued income and other taxes	<u>20,042.70</u>	\$ 63,006.90
Long-term obligations -		
Equipment loans	35,750.00	
Installment lease contracts	25,595.35	
Notes secured by deed of trust	<u>1,146.31</u>	62,491.66
Capital -		
Capital stock	50,000.00	
Unearned surplus	30,468.88	
Earned surplus	<u>76,845.07</u>	157,313.95
Total		<u>\$282,812.51</u>

A review of the application clearly indicates that applicant has need for the funds to be obtained through the issue of a note for the purposes set forth therein. Accordingly, an order will be entered granting applicant's request.

Q 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, other than the payment of truck license obligations, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Battcate Livestock Transportation Co., after the effective date hereof and on or before July 31, 1952, may issue a promissory note in the principal amount of \$15,000, and may execute a deed of trust in, or substantially in, the same form as the note and deed of trust filed in this proceeding as Exhibit A.

2. Applicant shall use the proceeds to be obtained through the issue of said note to pay outstanding indebtedness to Bank of America National Trust and Savings Association, to pay or provide truck license obligations, and to provide working capital to maintain and improve its service.

3. Applicant shall file with the Commission a copy of the note and the deed of trust as actually executed, said filing to be made within thirty (30) days after the date thereof.

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 twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 13th day of February, 1952.

A. T. [Signature]
President

Justice J. [Signature]
Harold [Signature]

[Signature]
[Signature]
Commissioners

