

ORIGINAL

Decision No. 46803

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
	:	
GEORGE C. SMITH, JR., an individual)	
doing business under the firm name of	:	
SMITH TRANSPORTATION CO., for authori-)	Application
ty to borrow money and execute promis-	:	No. 33144
sory note and chattel mortgage pursuant)	
to Sections 817 and 851 of the Public	:	
Utilities Code.)	
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OPINION AND ORDER

This is an application for an order of the Commission authorizing George C. Smith, Jr. to issue a promissory note in the principal amount of \$80,000 and to execute a mortgage of chattels to secure the payment of the same.

The application shows that applicant is engaged in business as a highway common carrier of property generally between points in Los Angeles and certain adjacent communities, on the one hand, and points and places along U. S. Highway 101 and State Highway 1 between Buellton and Paso Robles, on the other hand. In this proceeding he reports for the year 1951 operating revenues of \$496,457.99 and a net loss of \$2,021.92 after making provision for depreciation in the amount of \$14,749.94. He reports his investment in property and equipment at \$240,033.59 at December 31, 1951, and in current assets at \$32,369.02, a total of \$272,402.61, which he has paid or provided with current and long-term obligations in the total amount of \$103,262.02 and with investment of his own funds in the amount of \$169,140.59.

Exhibit D attached to the application shows that at February 11, 1952, applicant owned 61 units of equipment consisting of 14 trucks, 15 tractors, 19 trailers, 2 pickups, 4 vans and 7 dollies. Applicant now reports that he finds it necessary to increase the size of his fleet in order to meet the increased public demand for his services and in order to permit withdrawal of units from service to accomplish overhaul and modernization work. He therefore proposes to purchase 2 line-type tractors, 2 line-type semitrailers, 2 local pickup and delivery trucks, and 1 converter gear, for the purpose of augmenting his equipment and improving his service. The estimated cost of such additional units is approximately \$45,000.

Exhibit A attached to the application shows that at January 31, 1952, applicant had outstanding certain promissory notes in the amount of \$35,491.64, consisting of \$33,383.88 payable to Bank of America National Trust and Savings Association and \$2,107.76 payable to two other companies. He now desires to issue to said bank a new note in the principal amount of \$80,000 for the purpose of paying the balances due on the notes to which reference has been made and of providing the cost of the new units of equipment. In the event the sums required to pay existing obligations have been reduced prior to the time applicant executes the new note, any excess of the proceeds of such new note over and above those needed for the purposes indicated will be used to augment applicant's working capital. The new note will be payable in 36 monthly installments with interest at the rate of 3-1/2% per annum.

The Commission has considered this matter and is of the opinion that a public hearing 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 are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

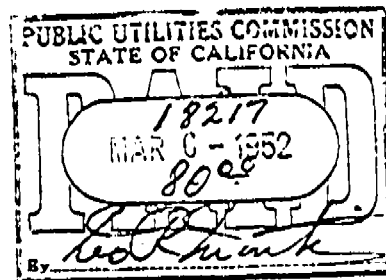
1. George C. Smith, Jr., after the effective date hereof and on or before June 30, 1952, may issue his promissory note in the principal amount of \$80,000 and may execute a mortgage of chattels as outlined in this application to secure the payment of the same, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit B and Exhibit C, respectively.

2. Applicant shall use the proceeds to be received through the issue of said \$80,000 note for the purposes set forth in this application.

3. Within thirty (30) days after the issue of said note applicant shall file with the Commission a copy of the same as actually issued, together with a copy of the mortgage of chattels as executed to secure the payment of said note.

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 eighty (\$80.00) dollars.

Dated at Los Angeles, California, this 4th day of March, 1952.



[Signature]
President
[Signature]
[Signature]

Commissioners