

**ORIGINAL**

Decision No. 48204

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of FOSTER TRANSPORTATION, INC., for an order authorizing refinancing in the amount of \$7,994.90.	) : ) : ) : )	Application No. 34006
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O P I N I O N

This is an application for an order authorizing Foster Transportation, Incorporated to execute a promissory note and mortgage of chattels in the principal amount of \$4,994.90 and to execute a mortgage of chattels to secure the payment of the sum of \$3,000.

Applicant is engaged in operating bus service in and near Alhambra. It reports that its revenues have not been sufficient to pay all its expenses for labor and materials, that it has become indebted for repair parts and for moneys borrowed to pay retroactive wage increases, and that it now desires to refinance these items of indebtedness through the execution of a promissory note and mortgage of chattels to Crown Body & Coach Corporation in the principal amount of \$4,994.90 representing indebtedness for materials, and the execution of a mortgage of chattels to Bernice Howe Foster, et al., in the principal amount of \$3,000 representing borrowings for payment of wages.

A copy of the form of the promissory note and mortgage of chattels has been filed in this proceeding as Exhibit A and a copy of the form of the \$3,000 mortgage of chattels as Exhibit B. The indebtedness of \$4,994.90 will be payable in 16 equal successive

monthly installments of \$300 and a 17th installment of \$194.90, while the indebtedness of \$3,000 will be payable on or before 11 months after date of issue. As to this item, however, applicant seeks authorization to renew it from time to time for 10 successive renewal periods of 11 months each.

A review of applicant's financial statements on file with the Commission shows its revenues and expenses for the calendar years 1950 and 1951 and for the first 10 months of 1952 as follows:

	<u>1950</u>	<u>1951</u>	<u>1952 10 Months</u>
Revenues	\$108,994	\$128,222	\$121,448
Expenses	<u>110,259</u>	<u>133,504</u>	<u>126,977</u>
Net loss	<u>\$ ( 1,265 )</u>	<u>\$ ( 5,282 )</u>	<u>\$ ( 5,529 )</u>

In Exhibit C applicant has reported its assets, liabilities and capital as of October 31, 1952. A summary of its statement is as follows:

<u>Assets</u>		
Current assets -		
Cash	\$( 717.80)	
Accounts receivable	2,728.44	
Materials and supplies	5,000.00	
Prepayments	<u>1,015.10</u>	
Total current assets		\$ 8,025.74
Tangible property -		
Cost	62,720.93	
Less-depreciation reserve	<u>52,405.94</u>	
Net tangible property		<u>9,314.99</u>
Total		<u>\$17,340.73</u>
<u>Liabilities and Capital</u>		
Current liabilities -		
Notes and accounts payable	\$20,839.95	
Accrued taxes	245.60	
Other liabilities	<u>101.65</u>	
Total current liabilities		\$21,187.20
Equipment obligations		3,027.06
Deferred credits		170.28
Capital stock		8,000.00
Deficit		<u>(15,043.81)</u>
Total		<u>\$17,340.73</u>

Upon reviewing this matter it clearly appears that applicant does not have sufficient funds on hand to meet the obligations to which reference has been made and that an order is warranted authorizing it to renew or extend the time for payment of the two items.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; and that the money, property or labor to be procured or paid for by the execution of the note and mortgages of chattels herein authorized is reasonably required by applicant for the purpose specified herein; therefore,

IT IS HEREBY ORDERED as follows:

1. Foster Transportation, Incorporated, on and after the effective date hereof and on or before April 30, 1953, may execute a promissory note and mortgage of chattels in the principal amount of \$4,994.90, in, or substantially in, the same form as that filed in this proceeding as Exhibit A, and may execute a mortgage of chattels securing the payment of \$3,000, in, or substantially in, the same form as that filed in this proceeding as Exhibit B, for the purpose of refinancing outstanding indebtedness.
2. Foster Transportation, Incorporated, from time to time may renew the indebtedness of \$3,000, in whole or in part, for ten (10) successive periods of eleven (11) months each, in accordance with the terms of the mortgage of chattels filed in this proceeding as Exhibit B.

3. Foster Transportation, Incorporated 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 Foster Transportation, Incorporated has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 27<sup>th</sup> day of January, 1953.

R. T. [Signature]  
President

James J. Garner  
Harold P. Kule

Kenneth P. Pott  
John E. [Signature]  
Commissioners

