

Decision No. 48559

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CLARENCE F. LEWIS and EUGENE M. JACINTO,)
a copartnership doing business under the)
firm name of L. & J. TANK LINES,)
for authorization to issue a Promissory)
Note, Chattel Mortgage and Deed of Trust.)
-----)

Application
No. 34288

O P I N I O N

This is an application for an order authorizing Clarence F. Lewis and Eugene M. Jacinto, partners doing business as L. & J. Tank Lines, to issue their promissory notes in the aggregate principal amount of \$33,500 and to execute a deed of trust and a mortgage of chattels.

Applicants are engaged in business as petroleum irregular route carriers under a certificate of public convenience and necessity granted by this Commission by Decision No. 44751, dated September 1, 1950, in Application No. 31165, and also as radial highway common carriers. Although their field of operation is statewide, they report that for the most part they conduct their operations from the San Francisco-Oakland Bay Area to the northern part of California and throughout the Sacramento and San Joaquin valleys. For the year 1952, they report gross revenues in the amount of \$125,074.38 and net operating income of \$25,322.09, before provision for federal income taxes. In Exhibit IV they have reported their balance sheet as of December 31, 1952, as follows:

Assets

Current assets -	
Cash and accounts receivable	\$27,488.98
Trucks and equipment--less reserve	59,280.54
Other assets--lot in West Sacramento	<u>5,400.00</u>
Total	<u>\$92,169.52</u>

Liabilities and Capital

Accounts payable	\$ 4,199.60
Long-term liabilities	<u>32,098.80</u>
Total liabilities	<u>36,298.40</u>
Partnership capital	<u>55,871.12</u>
Total	<u>\$92,169.52</u>

The application shows that applicants conduct their business from their truck yard located on Harbor Boulevard in West Sacramento and that they lease elsewhere in West Sacramento a shop building wherein they have their repair and maintenance tools and shop equipment. They report that they now desire to construct a building on their yard properties to provide office space, shop and other facilities, and that they have entered into negotiations with Winston Steel Works, Inc. for the construction of the improvements at a contract price of \$33,592.60, subject to bank approval of the proposed loan and authorization from the Commission.

To obtain the funds to meet the construction costs, applicants propose to borrow the sum of \$33,500 from The Anglo California National Bank, said borrowings to be represented by two promissory notes, one in the principal amount of \$20,000, repayable in monthly installments of \$250, or more, with interest at the rate of 5% per annum, secured by a deed of trust on the properties, and the other in the principal amount of \$13,500, repayable in 18 monthly installments with interest at the rate of 6% per annum, secured by a mortgage of chattels covering 11 units of equipment.

The proposed construction will utilize applicants' real property and will eliminate the expense and inconvenience of renting facilities. From a review of the application and of the financial statements filed in this proceeding, we are of the opinion that applicants will have need for such borrowings to finance their construction costs and that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

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 and that the application should be granted, as herein provided; therefore;

IT IS HEREBY ORDERED as follows:

1. Clarence F. Lewis and Eugene M. Jacinto, partners doing business under the firm name of L. & J. Tank Lines, may issue their promissory notes in the aggregate principal amount of \$33,500, on or before October 31, 1953, for the purpose of financing the construction costs referred to in this proceeding, and may execute a deed of trust and a mortgage of chattels, which notes, deed of trust and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

2. Clarence F. Lewis and Eugene M. Jacinto 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.

3. The authority herein granted will become effective when applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$34.00.

Dated at San Francisco, California, this 5th day of May, 1953.

Q. E. ...
President

Harold ...

Samuel ...
John E. ...

Commissioners

