

ORIGINAL

Decision No. 48903

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PACIFIC TRUCK SERVICE, INC.,)
a corporation, for authority to)
execute a chattel mortgage, deed)
of trust and promissory notes.)
-----)

Application
No. 34563

O P I N I O N

Pacific Truck Service, Inc. has filed this application for authorization to execute and issue a mortgage of chattels and a note in the principal amount of \$231,250 and a deed of trust and note in the principal amount of \$120,000.

Applicant is engaged in the transportation of petroleum and petroleum products in bulk as a highway common carrier and as a petroleum irregular route carrier. The application shows that it has financed itself in part through the execution and the issue to Bank of California National Association of a mortgage of chattels and a promissory note dated September 11, 1951, in the principal amount of \$375,000.

It appears that applicant did not obtain from the Commission authorization to execute the mortgage of chattels and to issue the note, but that its failure to do so was through inadvertence and with no intent to evade the provisions of the Public Utilities Code. The principal amount of the note now has been reduced to \$231,250 and at this time applicant seeks authorization to execute a new mortgage of chattels and to issue a new promissory note in the amount of the unpaid balance to replace the presently outstanding documents, such

new note to be payable in monthly installments of \$6,250 with interest at the rate of $4\frac{1}{2}\%$ per annum.

In addition, applicant proposes to increase its borrowings from Bank of California National Association by the amount of \$120,000 for the purpose of liquidating short-term bank loans in the amount of \$75,000 and of paying outstanding open accounts of \$45,000 and it seeks authorization to issue a new note, secured by a deed of trust, payable in monthly installments of not less than \$1,200, with interest at the rate of 5% per annum for these purposes.

Applicant alleges that the discharge of the short-term notes and the open account indebtedness through the issue of a new note for \$120,000 payable over a period of ten years will place it in a better financial position. The proposal will not increase its total indebtedness but will relieve it of the necessity of an immediate heavy outlay of cash.

Under the circumstances set forth in the verified application an order will be entered granting applicant's requests.

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 issue of the notes herein authorized is reasonably required by applicant for the purposes specified herein; therefore,

IT IS HEREBY ORDERED as follows:

A. 34563

1. Pacific Truck Service, Inc. may execute a mortgage of chattels and issue a promissory note in the principal amount of not exceeding \$231,250, and may execute a deed of trust and issue a promissory note in the principal amount of not exceeding \$120,000, on or before December 31, 1953, for the purposes set forth in this application, such mortgage of chattels, deed of trust and notes to be in, or substantially in, the same form as those filed in this proceeding.

2. Applicant 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 applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$352.00.

Dated at San Francisco, California, this 4th day of August, 1953.

R. F. [Signature]
President

Justus J. [Signature]
Harold P. [Signature]

[Signature]
[Signature]
Commissioners

