

ORIGINAL

Decision No. 42694

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of CAL-CENTRAL TRUCKING CO., INC.,	:	Application
a corporation, for authority to	)	No. 35115
execute a chattel mortgage and	:	
promissory note.	)	
-----	:	

OPINION AND ORDER

Cal-Central Trucking Co., Inc. has filed this application for authorization to issue a promissory note in the principal amount of \$32,933.40.

The proposed note will be issued to American Trust Company. It will be payable in ten equal successive monthly installments of \$3,293.34, including interest computed at the rate of 6% per annum. Its payment, however, will be secured by a mortgage of chattels now outstanding, dated May 8, 1951, which was executed under authorization heretofore granted by the Commission, and its issue will bring the total obligation secured by that mortgage up to \$98,063.40.

Applicant reports that the additional borrowing has become necessary to enable it to meet state license taxes on its motor vehicles. It asserts that it does not have sufficient funds on hand to pay its license taxes and at the same time maintain adequate working capital, without obtaining the bank loan it now seeks.

An examination of applicant's records by a member of the Commission's staff indicates that during the twelve months of 1953 the operating revenues of the business amounted to \$1,758,784 and the net income to \$66,920, before provision for income taxes, as compared with reported operating revenues in 1952 of \$1,764,744 and net profit

for that year of \$10,253. The examination indicates, however, that applicant had invested \$121,562 in accounts receivable at December 31, 1953, and that it has need for additional cash working capital to meet its tax obligations and to replenish its treasury.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant and that the application should be granted; therefore,

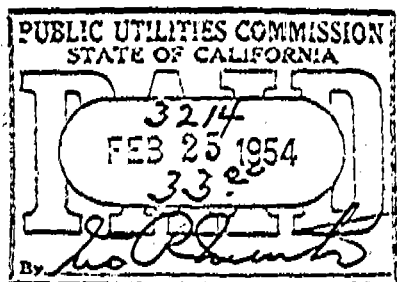
IT IS HEREBY ORDERED as follows:

1. Cal-Central Trucking Co., Inc. may issue its promissory note on or before May 31, 1954, in the principal amount of not exceeding \$32,933.40 for the purpose set forth in this application, said note to be in, or substantially in, the same form as the note filed in this proceeding as Exhibit No. 1.

2. Applicant shall file with the Commission a report, or 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 \$33.00.

Dated at San Francisco, California, this 23<sup>rd</sup> day of February, 1954.



R. J. [Signature]  
President  
Justus F. Calmes  
[Signature]  
[Signature]  
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Commissioner