

ORIGINAL

Decision No. 50045

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MUELLER TRUCK CO., a corporation,)
for authority to execute a promissory)
note and chattel mortgage.)
-----)

Application
No. 35411

O P I N I O N

Mueller Truck Co., a corporation, has filed this application for authorization to execute a mortgage of chattels and to issue to United States National Bank at San Diego an installment note in the face amount of \$50,000. The note will be payable in monthly installments of \$1,498.53, or more, commencing in May of 1954 and continuing for a period of 36 months after date of issue, with interest included at the rate of 5% per annum. The mortgage securing the payment of the note will cover applicant's equipment, including certain equipment it is undertaking to acquire.

Applicant is engaged in business, in general, as a highway common carrier of general commodities between Los Angeles and San Diego and as a radial highway common carrier, a highway contract carrier and a city carrier. For 1953 it has reported operating revenues of \$282,941 and net income of \$2,783, after payment of interest and provision for income taxes and after making charges of \$19,200 for depreciation. According to Exhibit E, it has financed itself primarily with equity capital, a summary of its balance sheet of March 31, 1954, being as follows.

Assets

Current assets -		
Cash and deposits	\$ 883	
Accounts receivable	13,719	
Prepayments	<u>14,344</u>	
Total current assets		\$ 28,946
Tangible assets less reserve		98,473
Intangible assets		9,356
Deferred debits		<u>1,023</u>
	Total	<u>\$137,798</u>

Liabilities

Current liabilities		\$ 17,621
Equipment note		10,676
Advances		23,166
Common stock equity -		
Common stock	\$70,000	
Surplus	<u>16,335</u>	
Total common stock equity		<u>86,335</u>
	Total	<u>\$137,798</u>

The purpose of the proposed financing is to provide applicant with funds to acquire the equipment and business of Arrow Transfer Co., a permitted carrier, in order to expand and improve its operations. The tangible property includes seven tractors, one stake truck, one van truck and ten van semi-trailers.

Upon reviewing the verified application we are of the opinion applicant will have need for the proceeds from the issue of the note to meet the costs of acquisition of the properties and therefore we will enter an order granting applicant's requests. The action taken herein shall not be construed to be a finding of the value of the property to be acquired through the issue of the note.

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, 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 for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Mueller Truck Co. may execute a mortgage of chattels and issue a note in the face amount of \$50,000 on or before July 31, 1954, for the purpose set forth in this application, said note and mortgage to be in, or substantially in, the same form as those filed as Exhibit A in the proceeding.

2. Mueller Truck Co. 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 Mueller Truck Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$50.00.

Dated at San Francisco, California, this 18th day of May, 1954.

John E. Mitchell
President

Justin F. Coakley

Samuel Patten

Verne Roggins

Commissioners

