

Decision No. 50927

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
FRANK SPINGOLO TRUCKING COMPANY, a)
corporation, to encumber property.)
-----)

Application
No. 36552

O P I N I O N

This is an application for an order authorizing Frank Spingolo Trucking Company, a corporation, to execute a deed of trust and to issue a note in the principal amount of \$30,000 for the purpose of financing the cost of improvements:

Applicant is engaged in the transportation of fresh fruits and vegetables between Stockton and other points, on the one hand, and San Francisco, Oakland, Berkeley, Alameda, Emeryville, Albany and intermediate points, on the other hand, as a highway common carrier under a certificate of public convenience and necessity granted by the Commission. In the conduct of its operations it leases certain terminal facilities in Stockton but it now reports that such facilities have become inadequate and that it has been necessary for it to make other arrangements. Accordingly, it is undertaking to construct new terminal facilities on real property located at 1001 North Broadway, Stockton:

The estimated cost of the building, which will include office as well as garage and storage space, is \$30,000. It appears that applicant does not have the necessary funds on hand to meet the estimated expenditures and that it has arranged to borrow the same

from American Trust Company. The proposed borrowing will be represented by a note in the principal amount of \$30,000 which will be payable in annual installments of \$5,000 commencing on the first day of November of 1955, with interest at the rate of 5% per annum. The note will be secured by a deed of trust on the premises.

Applicant's financial statement filed with the application shows that for the nine-months period ended September 30, 1954, its operating revenues amounted to \$217,703.82 and its net profit to \$47,050.77, after deducting depreciation charges of \$26,915.40. Its financial position as of the end of September is reflected by the following balance sheet:

Assets

Current assets -		
Cash	\$17,018.29	
Accounts receivable	59,982.20	
Deposits and advances	1,160.00	
Prepaid expenses	3,961.95	
Supplies	<u>4,413.49</u>	
Total current assets		\$ 86,535.93
Property and equipment, less reserves		<u>182,778.93</u>
	Total	<u>\$269,314.86</u>

Liabilities and Capital

Liabilities -		
Accounts payable	\$18,107.10	
Contracts payable	53,190.71	
Advances payable	26,681.22	
Other obligations	<u>45,000.00</u>	
Total liabilities		\$142,979.03
Capital -		
Common stock	36,376.57	
Surplus	<u>89,959.26</u>	
Total capital		<u>126,335.83</u>
	Total	<u>\$269,314.86</u>

From a review of this application it appears that applicant will have need for the moneys to be obtained through the

proposed borrowing for the purposes set forth in the application, and that its revenues should be ample to enable it to meet its financial requirements. Accordingly, an order will be entered granting its request.

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 purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Frank Spingolo Trucking Company may issue a note in the principal amount of \$30,000 and may execute a deed of trust for the purpose of financing the cost of the improvements referred to in this application, which note and deed of trust shall be in, or substantially in, the same form as those filed in the proceeding as Exhibit A and Exhibit B, respectively.

2. Frank Spingolo Trucking Company 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 Frank Spingolo Trucking Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$30.00.

Dated at San Francisco, California, this 4th day of JANUARY, 1955.

John E. Mitchell
President

Justice J. Cassin
Ray L. Winter

Commissioners

