

ORIGINAL

Decision No. 51050

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of MACHADO TRUCKING COMPANY,
a corporation, for authority to execute
a promissory note and mortgage of
chattels.

Application
No. 36628

OPINION AND ORDER

In this application Machado Trucking Company seeks authorization to execute a mortgage of chattels and to issue a note in the face amount of \$64,131.40 for the purpose of refinancing existing indebtedness.

Applicant is a highway common carrier engaged in the transportation of general commodities, with certain exceptions, between San Francisco and Los Angeles and between Los Angeles, Pasadena, Redlands, Riverside, Santa Ana and intermediate points. In acquiring equipment used in the conduct of its business it became indebted to Bank of America National Trust and Savings Association on three promissory notes, now in the total amount of \$60,740.90, which are payable in monthly installments aggregating \$3,874.82.

The application shows that the bank has agreed to re-finance the obligations under a plan whereby the three notes will be consolidated into one new note, the time within which the debt must be paid will be lengthened, and the amount of the monthly payments will be reduced. The new note will be in the total amount of \$64,131.40, which includes prepaid interest, and will be payable over a period of twenty months in monthly installments of \$3,054.00, as contrasted with the monthly payments of \$3,874.82 now required by the present notes.

Information filed with the Commission shows that as of November 1, 1954 applicant's current assets amounted to \$87,706.18 as compared with current liabilities of \$132,661.28. During 1954, however, applicant's business has been improving and the report for the first ten months of the year shows operating revenues of \$494,177.73 and net income of \$5,253.12, after making deductions for depreciation of \$16,559.88.

The refinancing of the indebtedness as herein proposed will improve applicant's cash position through a reduction of approximately \$800.00 in its monthly cash outlays. In our opinion, therefore, the money, property or labor to be procured or paid for through the issue of the new note is reasonably required by applicant for the purpose specified herein and the expenditures for such purpose, except for the payment of interest, are not, in whole or in part, reasonably chargeable to expenses or income. Further, in our opinion, a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED as follows:

1. Machado Trucking Company may issue a note in the face amount of not exceeding \$64,131.40 and execute a mortgage of chattels for the purpose of refinancing existing indebtedness, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

2. Machado Trucking Company shall file with the Commission a report 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 Machado Trucking Company has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 1st day of February, 1955.

Jose E. Machado
President

Justus F. Caswell

Rayles Winters

William H. Sperry

Commissioners

