

ORIGINAL

Decision No. 51535

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
FRANK SPINGOLO TRUCKING COMPANY, a	=	
corporation, to issue its note and	)	Application
a chattel mortgage encumbering	=	No. 36955
revenue equipment.	)	
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O P I N I O N

Frank Spingolo Trucking Company, applicant herein, is a highway common carrier of fresh fruits and vegetables between Stockton and other points, on the one hand, and San Francisco, East Bay and intermediate points, on the other hand. In this application it seeks authorization to execute a mortgage of chattels and promissory note in the amount of \$41,364.

The proceeds from the note will be used for the following purposes:

Payment of existing note and chattel mortgage	\$21,790
Financing of new equipment and facilities	16,510
Payment of interest	<u>3,064</u>
Total	<u>\$41,364</u>

The proposed borrowing will be represented by a note in favor of American Trust Company and will be payable in equal successive monthly installments of \$1,725 commencing on June 1, 1955, with a final installment of \$1,689 on May 1, 1957. The existing indebtedness which will be liquidated is payable in monthly installments of \$1,555, so that applicant's financial requirements will be increased by \$170 a month.

The new equipment and facilities include a fence to be constructed around its terminal on North Broadway in Stockton, a scale to be used primarily for the weighing of merchandise for the Fruitvale Cannery, and two-way radio equipment in its terminal and in ten of its vehicles. The acquisition of the equipment and facilities will require the expenditure of \$18,358, the excess over and above the proceeds from the issue of the note to be obtained from applicant's treasury.

Applicant asserts that the proposed fence is necessary for the protection of its terminal property and equipment and that the moneys to be received from the weighing services to be performed for Fruitvale Cannery will be sufficient to pay for the purchase and installation of the scale within a relatively short time. As to the radio equipment, applicant reports that it carries perishable fresh fruits and vegetables and the radio dispatching will coordinate and expedite the movement throughout its service area.

Financial statements in this proceeding show applicant's reported net investment in properties and equipment in the total amount of \$199,234 and its long-term obligations at \$88,953. As of the close of the year it reports current assets of \$49,660, including cash of \$28,830, and current liabilities of \$46,495. Its financial statements show a substantial investment by the shareholders, the total amount being reported at \$113,445. The reports of the results of operations show that during the 12 months ended December 31, 1954, applicant's operating revenues amounted to \$295,278 and its nonoperating revenues to \$24,840. After payment of operating expenses, taxes and interest applicant reported net

profit of \$34,160, after making provision of \$36,697 for depreciation.

From a review of the application it clearly appears that applicant does not have sufficient funds on hand to meet its estimated expenditures in full but that its assets and earnings are ample to warrant an order authorizing it to increase its indebtedness as requested in this application.

ORDER

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, except for the payment of interest, 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 execute a mortgage of chattels and promissory note, on or before September 30, 1955, in the total amount of \$41,364 for the purposes set forth in this application, such mortgage of chattels and promissory note to be in, or substantially in, the same form as the document filed in this proceeding as Exhibit A.

2. Frank Spingolo Trucking Company 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.

Dated at San Francisco, California, this 7<sup>th</sup> day of January, 1955.

John E. Mitchell  
President

Justus J. Caswell

Rachel W. ...

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Commissioners

