

ORIGINAL

Decision No. 51917

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of LYON VAN & STORAGE CO. for an)	
Order Authorizing Applicant to)	Application No. 37225
Issue a Note for \$165,000)	
-----)	

O P I N I O N

This is an application for an order of the Commission authorizing Lyon Van & Storage Co. to execute a deed of trust and to issue a note in the principal amount of \$165,000 for the purpose of financing the cost of purchasing real property.

Applicant is a California corporation operating as a public utility warehouseman in various locations and as a radial highway common carrier, highway contract carrier, city carrier, and household goods carrier. In its annual reports on file with the Commission it reports for the year 1953 public utility warehouse revenues of \$116,282.39 and other revenues of \$4,694,468.11, a total of \$4,810,750.50. For the year 1954 it reports public utility warehouse revenues of \$134,449.02 and other revenues of \$4,474,899.51, a total of \$4,609,348.53.

Applicant advises that it has negotiated for the purchase of certain real property located in Pasadena in order to acquire permanent facilities for the storage, freight-car loading and freight-forwarding of household goods. The properties to be purchased cover an area of approximately 78,750 square feet on which are located two reinforced concrete storage warehouses, together with certain other improvements including an asphalt paved yard of about 45,000 square feet in area. Applicant reports that the properties had an

appraised value of \$160,143 as of August 12, 1946, and that the present-day appraised value is in excess of \$165,000.

To finance the purchase price applicant proposes to issue its promissory note in the principal amount of \$165,000 payable to the order of Bank of America National Trust and Savings Association. The note will be dated as of date of issue and will be repaid over a period of seventy months by monthly payments consisting of an initial payment of \$2,850 and sixty-nine monthly payments of \$2,350. Interest on the deferred balances will be computed at the rate of 5% per annum. The note contains certain prepayment privileges and is to be secured by a deed of trust, or deeds of trust, on warehouse property owned by applicant and located at 55 South Marengo Avenue, Pasadena, and on the warehouse properties in Pasadena which applicant contemplates acquiring through use of the proceeds of the loan proposed in this application.

Applicant's December 31, 1954 balance sheet shows net investment in tangible properties of \$1,357,286 and outstanding long-term indebtedness of \$306,194. It also indicates a favorable current position with current assets of \$1,193,336 being approximately twice the current liabilities which are reported at \$608,329. Its income statement attached to the application as Exhibit 2-B shows net income, after federal income taxes, of \$131,980 in 1953 and \$148,055 in 1954. It clearly appears, from a review of the application and of the financial reports, that applicant's earnings and resources should be ample to service the proposed note issue and that such issue will not impair its ability to perform its public obligations.

An order will be entered granting the application.

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. Lyon Van & Storage Co., on and after the effective date hereof and on or before December 31, 1955, may execute a deed of trust, or deeds of trust, in, or substantially in, the same form as that filed in this proceeding as Exhibit 3-B, and may issue its promissory note in the principal amount of not exceeding \$165,000 in substantially the same form as that filed in this proceeding as Exhibit 3-A, for the purpose specified in the application.
2. Lyon Van & Storage Co. 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, which fee is \$165.

W.S. Dated at San Francisco, California, this _____ day
of ~~August~~ September, 1955.

Allen E. Mitchell
President

Justin J. Cameron
P. Hardy

Commissioners

