

Decision No. 52243

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Daigh & Stewart Truck Co., a corpora-  
tion, to encumber property.

Application  
No. 37416

O P I N I O N

This is an application for an order authorizing Daigh & Stewart Truck Co., a corporation, to assume the payment of outstanding indebtedness.

Applicant is a California corporation engaged in the transportation of property as a highway common carrier generally throughout the state and in certain nonutility activities. It was organized in 1950 and heretofore issued 8,000 shares of stock of the par value of \$80,000 in order to finance itself, which shares presently are outstanding and are held in equal proportions by E. Daigh and William H. Stewart.

It appears that in the conduct of its operations applicant has been occupying certain real properties and improvements in Kern County under lease arrangements with Virginia Dougherty Powers and Cleo Foran providing for a rental of \$300 a month. The application shows that recently E. Daigh and Vera Daigh, his wife, and William H. Stewart and Helene Stewart, his wife, made arrangements to purchase the premises for the sum of \$25,000, and issued in part payment two notes secured by deeds of trust, each in the amount of \$11,000 payable in monthly installments of \$86.99 including interest at the rate of 5% per annum, and that said individuals now propose to turn over the

properties to applicant corporation at the same price they paid, the applicant to pay \$3,000 in cash and to assume the payment of the two notes.

A financial statement filed in this proceeding shows applicant's net investment in tangible assets at \$101,285 and in current and other assets at \$93,108, a total of \$194,393 as of March 31, 1955, an amount which has been financed with current liabilities of \$72,040, long-term debt of \$5,593, and equity capital of \$116,760. The statement further shows for the fiscal year ended March 31, 1955, carrier revenues of \$369,879 and other revenues of \$47,662. The revenues made provision for depreciation in the amount of \$26,527 and produced net profit thereafter of \$7,836.

An investigation discloses that the premises are used for general office, truck terminal, and shop purposes, that there will be no change in the operations or services because of the transfer of ownership, and that there will be economies realized by applicant through the acquisition. Under the circumstances it appears to us, and we so find, that the transfer will not be adverse to the public interest.

The action taken herein shall not be construed to be a finding of the value of the properties referred to in this proceeding.

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 and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Daigh & Stewart Truck Co., a corporation, may assume the payment of the outstanding deeds of trust and the two notes for \$11,000 each in acquiring the real and personal properties, all as set forth in this application.

2. If applicant exercises the authorization herein granted, it shall file a written report of its action within 30 days after its consummation.

3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 22nd day of November, 1955.

Peter E. Mitchell  
President

Justus J. Caswell  
Paulo Antas  
William J. ...  
B. ...  
Commissioners