

**ORIGINAL**

Decision No. 53736

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of AMERICAN TRUST COMPANY as Executor of the Last Will and Testament of JOSEPH D. SHEEDY, Deceased, and SHEEDY DRAYAGE CO., a California corporation, for a permit to issue and sell securities and authorizing the transfer of Certificate of Convenience and Necessity to operate as a Highway Common Carrier.

Application No. 38311  
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 53594, dated August 21, 1956, the Commission authorized American Trust Company, as executor of the last will and testament of Joseph D. Sheedy, deceased, to transfer certain operative rights and properties to Sheedy Drayage Co., a corporation, for the sum of \$180,000 and authorized Sheedy Drayage Co., to issue not exceeding \$180,000 of par value of its common stock in payment for such operative rights and properties.

In a supplemental application filed in this proceeding on September 4, 1956, it is reported that Sheedy Drayage Co., instead of issuing \$180,000 of common stock, desires to borrow \$110,000 to finance a portion of the purchase price and to issue \$100,000 par value of common stock to complete the payment of the purchase price and to provide working capital. The amount to be borrowed will be represented by a note in favor of the American Trust Company, payable in monthly installments of \$3,000 with interest at the rate of 6% per annum. The payment of the note will be secured by mortgages of chattels.

Financial reports filed with the Commission show that the business conducted under the rights referred to herein has been substantial. In 1955 operating revenues aggregated \$621,491 and net income \$36,674, before provision for income taxes. It is clear that the new corporation, at the outset, must have working cash capital on hand and it therefore appears to us and we so find that the money, property or labor to be procured or paid for through the issues of the \$110,000 note and the \$100,000 par value of common stock is reasonably required 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. The authorization granted by Decision No. 53594, dated August 21, 1956, to Sheedy Drayage Co., a corporation, to issue not to exceed \$180,000 par value of common stock hereby is vacated and set aside.
2. Sheedy Drayage Co., a corporation, in payment for the operative rights and properties to be acquired from the American Trust Company, as executor, and to provide working capital may issue not exceeding \$100,000 par value of common stock and a promissory note in the principal amount not exceeding \$110,000. It may execute mortgages of chattels to secure the payment of said note.
3. This first supplemental order will become effective when Sheedy Drayage Co., a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$110.

4. Except as modified by this first supplemental order, Decision No. 53594, dated August 21, 1956, shall remain in full force and effect.

Dated at San Francisco, California, this 4th day of September, 1956.

*Edward E. Mitchell* President  
*Justus D. Casner*  
*Paul J. Lister*  
*Frank A. ...*  
*B. Hardy* Commissioners

