

Decision No. 54566

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of I. F. STEWART doing business as
STEWART DRAYAGE LINES for authority
to execute chattel mortgage, deed
of trust and promissory notes.

Application No. 38835

OPINION AND ORDER

In this application, I. F. Stewart, doing business as Stewart Drayage Lines, seeks authorization to execute a deed of trust and a mortgage of chattels and to issue two notes in the aggregate principal amount of \$103,000.

Applicant is engaged in operating a highway common carrier service for the transportation of general commodities, between the San Francisco Bay Area and points in Contra Costa County, and in conducting related activities. As of December 31, 1956, he reports his investment in fixed assets at \$100,777.69 and his long-term debt at \$20,842.66, the greater part of his investment being represented by proprietary capital. For the year 1956, he reports revenues of \$216,379.27 and net profit at \$19,179.67, after making allowance of \$20,834.58 for depreciation.

It appears that applicant now is desirous of acquiring certain real property in Contra Costa County for terminal purposes and that he has arranged to purchase a parcel of land for \$105,750. He proposes to finance the purchase price, in part, with his own funds and, in part, with borrowed money and he has negotiated a loan of \$103,000 from the Bank of America National Trust and

Savings Association to take up the present obligation of \$20,842.66 and to provide a portion of the purchase price. The borrowing will be represented by a note in the principal amount of \$70,000 secured by a mortgage of chattels and payable in monthly installments of \$1,337, with interest at the rate of 6% per annum, and a note in the principal amount of \$33,000 secured by a deed of trust and payable in monthly installments of \$367, also with interest at the rate of 6% per annum.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the two notes herein authorized is reasonably required by applicant 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. I. F. Stewart, doing business as Stewart Drayage Lines, may execute a deed of trust and mortgage of chattels and may issue two notes, one in the principal amount of not exceeding \$70,000 and the other in the principal amount of not exceeding \$33,000, for the purposes set forth in this application, such documents to be in, or substantially in, the same form as those filed in this proceeding as Exhibit Nos. 1 to 4, inclusive.

2. I. F. Stewart, doing business as Stewart Drayage Lines, shall file with the Commission a report, or 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 I. F. Stewart, doing business as Stewart Drayage Lines, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$103.

Dated at San Francisco, California, this 25th day of FEBRUARY, 1957.

I. F. Stewart
President
C. L. Fox
Paul W. ...
...

Commissioners

