

ORIGINAL

Decision No. 54925

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
RUSSELL TRUCK COMPANY, a Corporation,
for an order authorizing the issuance
of a promissory note and chattel
mortgage.

Application No. 38978

OPINION AND ORDER

Russell Truck Company, applicant herein, is a highway common carrier of general commodities between Los Angeles and Los Angeles Harbor. In this application it seeks an order of the Commission authorizing it to execute a mortgage of chattels and to issue a note in the principal amount of \$55,000 for the purpose of refinancing short-term loans made to it by its officers and directors for investment in its properties and business.

According to Exhibit C, applicant's current assets at December 31, 1956, amounted to \$37,548 and its current liabilities to \$90,137, including advances from the officers and directors in the amount of \$57,599. The objective of the present proceeding, therefore, is to convert a substantial portion of the short-term obligations into one long-term obligation payable on a fixed monthly basis, thereby improving applicant's financial position.

The proposed refinancing will be accomplished by a \$55,000 loan from the Bank of America National Trust and Savings

Association, which will be represented by a note payable in 36 monthly installments, with interest at the rate of 6% per annum.

The Commission has considered this application 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 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. Russell Truck Company, on and after the effective date hereof and on or before September 30, 1957, may execute a mortgage of chattels and may issue a note in the principal amount of not exceeding \$55,000 for the purpose set forth in this application, such mortgage of chattels and note to be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively.

2. Russell Truck Company 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 Russell Truck Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$55.

Dated at San Francisco, California, this 7th day of MAY, 1957.

[Signature]
President
[Signature]
[Signature]
[Signature]
[Signature]
Commissioners

