

ORIGINAL

Decision No. 54985

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of HARRY MCKENZIE TRUCKING CO.,)	
a Corporation, for an order)	Application No. 39042
authorizing the issuance of a)	
promissory note and chattel)	
mortgage.)	
-----)	

OPINION AND ORDER

Harry McKenzie Trucking Co., a corporation, has filed this application for authorization to execute a mortgage of chattels and to issue a note in the principal amount of \$525,000.

Applicant was organized on June 17, 1953. At the outset it was engaged in business as a permitted carrier but later was certificated as a highway common carrier of certain commodities between San Francisco Territory and the Los Angeles Basin Territory and other points by Decision No. 53470, dated July 20, 1956, as amended by Decision No. 53958, dated October 23, 1956. For the year 1956 it reported operating revenues of \$1,711,619 and net profit of \$46,558.

According to information on file with the Commission the company has financed itself, in part, through the execution of eight equipment obligations amounting, at the close of 1956, to \$391,973 of which the sum of \$191,772 will be payable during 1957. It appears that the company now desires to consolidate these obligations and to extend the time for payment and at the same time to obtain funds to discharge \$5,000 of other indebtedness and to augment its working cash capital.

The company's financial reports show that its volume of business has been increasing rapidly, that it has been compelled to spend \$128,736 during the last three years to increase its tangible property and that it has depleted its cash reserves. From a review of the company's financial statement, it clearly appears that the proposed consolidation of the several items of indebtedness will improve its cash position and the enlargement of the loan will enable it to replenish its treasury with working cash necessary in its operations. The \$525,000 the company proposes to borrow will be represented by a note in favor of the Bank of America National Trust and Savings Association which will be payable in monthly installments of \$33,000 each on the 15th day of September, October, November and December in the years 1957 to 1960, inclusive, with interest on the unpaid balances at the rate of 6-1/2 per cent per annum. The payment of the note will be secured by a mortgage of chattels on applicant's trucking equipment.

We have given consideration to this application and are of the opinion that an ex parte order is warranted granting the company's request; therefore,

IT IS HEREBY ORDERED as follows:

1. Harry McKenzie Trucking Co., a corporation, may execute a mortgage of chattels and may issue a note in the principal amount of not exceeding \$525,000 for the purposes 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. The Commission is of the opinion 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 corporation for the

purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

2. Harry McKenzie Trucking Co., a corporation, 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 Harry McKenzie Trucking Co., a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$525.

Dated at San Francisco, California, this 21st day of May, 1957.

[Signature]
 President

[Signature]

[Signature]

[Signature]

[Signature]
 Commissioners

PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA

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By [Signature]