

# ORIGINAL

Decision No. 57420

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of LYON VAN & STORAGE CO. for an  
Order Authorizing Applicant to  
Issue a Note for \$700,000

Application No. 40423.

## O P I N I O N

This is an application for an order of the Commission authorizing Lyon Van & Storage Co. to execute a deed of trust, or deeds of trust, and to issue a note in the principal amount of \$700,000 for the purpose of paying indebtedness and providing working capital.

Applicant is a California corporation operating as a public utility warehouseman in various locations and as a radial highway common carrier, highway contract carrier, city carrier, and household goods carrier. Its financial reports on file with the Commission show that its public utility warehouse business constitutes but a small part of its total operations. For the year 1957 it reported public utility warehouse revenues of \$160,060 and other revenues of \$5,498,031, a total of \$5,658,091, and net income from all sources of \$177,796.

Applicant has financed its requirements primarily through the issuance of common stock and long-term obligations and with earnings from operations and current liabilities. Its financial position as of June 30, 1958, is indicated in the following balance sheet:

Assets

Current assets	\$1,320,927
Tangible property, less depreciation	1,946,042
Intangible property	5,000
Other investments	1,046,475
Deferred debits	<u>5,988</u>
Total	<u>\$4,324,432</u>

Liabilities and Net Worth

Current liabilities and advances payable	\$ 898,512
Equipment and other long-term obligations	711,096
Deferred credits	77,667
Net worth -	
Capital stock	\$ 653,800
Surplus	<u>1,983,357</u>
Total net worth	<u>2,637,157</u>
Total	<u>\$4,324,432</u>

Under authority granted by Decision No. 51917, dated September 6, 1955, and Decision No. 54562, dated February 25, 1957, applicant issued a \$165,000 note and a \$400,000 note, respectively, to Bank of America National Trust and Savings Association. It now reports that the unpaid principal amount owing on each of such notes as of July 10, 1958, is \$83,950 and \$308,480, respectively. It desires to pay these amounts with a portion of the proceeds to be derived from the \$700,000 note which it presently is seeking authority to issue and to use the remaining proceeds from such note (1) for discharging in full two \$100,000 short-term notes payable to Bank of America National Trust and Savings Association, and (2) for augmenting its working capital.

The proposed note will be payable to the order of Bank of America National Trust and Savings Association in the principal sum of \$700,000, payable in monthly installments of \$10,060 or more including 5-1/2% per annum interest on decreasing balances. The

indebtedness evidenced by the note will be secured by a deed of trust, or deeds of trust, covering certain warehouse and terminal properties located in portions of Los Angeles County.

From a review of the application it clearly appears that applicant has need for the funds to be received from the issue of the \$700,000 note, and an order will be entered granting the application.

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, that the application should be granted, as herein provided, 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 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. Lyon Van & Storage Co., on and after the effective date hereof and on or before December 31, 1958, may execute a deed of trust, or deeds of trust, in, or substantially in, the same form as that filed in this proceeding as Exhibit 3-B, and may issue its promissory note in the principal amount of not to exceed \$700,000 in, or substantially in, the same form as that filed in this proceeding as Exhibit 3-A, for the purposes specified in this application.

2. Lyon Van & Storage Co. 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 applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 7<sup>th</sup> day of October, 1958.

E. L. Fox  
President

W. E. Miller

Paul J. Intersten

Walter J. ...

Herbert J. ...  
Commissioners

