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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DANIEL GALLAGHER TEAMING, MERCANTILE
AND REALTY COMPANY, a California
corporation, for authority to
execute a promissory note and
a deed of trust.

Application No. 41183

OPINION AND ORDER

Daniel Gallagher Teaming, Mercantile and Realty Company, a corporation, has filed this application for authorization to execute a deed of trust and to issue a note in the principal amount of \$80,000.

It appears that applicant is engaged, as a highway common carrier, in the transportation of general commodities between points in the San Francisco-East Bay Cartage Zone and in the operation of nonpublic utility merchandising activities. It reports that it has need for \$80,000 to liquidate a short-term bank loan of \$40,000 and to provide working capital of \$40,000 to be utilized to expand its nonutility merchandise inventories, consisting principally of foundry supplies, and to improve its cash position, and that it has made arrangements to borrow the required sum from Bank of America National Trust and Savings Association. The proposed borrowing will be represented by a promissory note payable in monthly installments of \$870, with interest at the rate of 5-1/2% per annum.

A financial statement filed with the application shows, for 1958, carrier operating revenues of \$218,732 and nonoperating revenues of \$135,784, with net income of \$16,409.37 before making provisions for depreciation. The statement shows applicant's financial position as of December 31, 1958, as follows:

Assets

Current assets -		
Cash	\$ 22,763	
Accounts receivable	41,409	
Inventory	<u>5,651</u>	
Total current assets		\$ 69,823
Carrier operative property, less reserve		68,859
Non-carrier property, less reserve		<u>258,889</u>
Total		<u>\$397,571</u>

Liabilities and Capital

Current liabilities -		
Notes payable to bank	\$ 40,000	
Accounts payable	36,033	
Other	<u>25,519</u>	
Total current liabilities		\$101,552
Long-term debt		65,965
Common stock and surplus		<u>230,054</u>
Total		<u>\$397,571</u>

From a review of the application and of the financial statement, it clearly appears that applicant will have need for funds to meet its short-term bank loans and to improve its current ratios. It is our opinion that a public hearing is not required in this proceeding, that the application should be granted, that the money, property or labor to be procured or paid for by the issue of the note herein authorized 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. Daniel Gallagher Teaming, Mercantile and Realty Company, a corporation, on and after the effective date hereof and on or before December 31, 1959, may execute a deed of trust and may issue a note in the principal amount of \$80,000 for the purposes set forth in this application, such deed of trust and note to be in, or substantially in, the same form as those filed in this proceeding.

2. Daniel Gallagher Teaming, Mercantile and Realty 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 Daniel Gallagher Teaming, Mercantile and Realty Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.

Dated at San Francisco, California, this 23rd day of June, 1959.

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

