

Decision No. 60250

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:
BURTON TRUCK & TRANSFER CO., a
corporation for authority to issue
a promissory note, chattel mortgage
and deed of trust pursuant to
Sections 816-830 and 851-853 of the
California Public Utilities Code.

Application No. 42301

OPINION AND ORDER

Burton Truck & Transfer Co., a corporation, filed this application on May 26, 1960, for authorization to execute a chattel mortgage and to issue a note to Small Business Administration in the principal amount of \$20,000. The note will bear interest at the rate of 5-1/2% per annum and will be repaid in monthly installments over a period of five years.

The proceeds to be received by applicant through the issue of the note will be used to pay outstanding liabilities, including all its equipment obligations, and to increase its working capital. Applicant reports that the refinancing of its present obligations, as proposed, will reduce the amount of the monthly payments on equipment and other obligations from \$912 to \$388 and thereby will improve its cash position.

A reference to applicant's most recent annual report shows that during 1959 its operating revenues amounted to \$255,291 and its net income to \$20,512, after provision of \$9,074 for depreciation. The report shows current assets at the end of

the year at \$32,195 with current liabilities and equipment obligations due within one year in the total amount of \$41,230.

We have considered this matter and are of the opinion, and so find, that applicant's earnings should be sufficient to service the proposed note; 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; that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED as follows:

1. Burton Truck & Transfer Co., a corporation, on or after the effective date hereof and on or before December 31, 1960, may execute a chattel mortgage and issue a note to Small Business Administration in the principal amount of not to exceed \$20,000 for the purposes set forth in this application.

2. Applicant shall file with this Commission a copy of the chattel mortgage executed under the authorization herein granted, such filing to be made within 45 days after the date of execution of said mortgage.

3. Burton Truck & Transfer 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.

4. The authority herein granted will become effective when Burton Truck & Transfer Co. has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California,
this 14th day of June, 1960.

Everett W. Rago
President
Robert L. McHugh
William J. Cook
E. L. Fox
Theodore D. Jones
Commissioners

