

**ORIGINAL**

Decision No. 61247

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of WINANS BROS. TRUCKING CO., a corporation, for authority to assume liability as a guarantor on indebtedness of GRANT A. WINANS and FRANK C. WINANS, copartners doing business as WINANS BROTHERS.

Application No. 42885

O P I N I O N

This application was filed on November 23, 1960, for an order of the Commission authorizing Winans Bros. Trucking Co., a corporation, to assume liability as a guarantor of indebtedness of Grant A. Winans and Frank C. Winans.

Winans Bros. Trucking Co. is a California corporation which is engaged as a highway common carrier in the transportation of forest products in California. It also holds permits to operate as a radial highway common carrier and as a highway contract carrier. All its outstanding stock is held by Frank C. Winans and Grant A. Winans. There is no outstanding indebtedness other than current liabilities. For the first eight months of 1960, according to the application, its revenues amounted to \$384,185 and its net profit to \$9,129, after payment of \$194,536 for purchased transportation, all, or part, of which appears to represent equipment rentals.

Frank C. Winans and Grant A. Winans, doing business as Winans Brothers, are engaged in the business of operating a petroleum contract service and in the business of leasing equipment to applicant corporation. In the acquisition of such equipment, they incurred certain secured and unsecured obligations during 1958 and during 1960 which they now propose to refinance through the issue of two new notes to Bank of America National Trust and Savings Association, one note to be in the face amount of \$40,155.87 payable in monthly installments of \$1,500.00 and the other to be in the face amount of \$193,943.03 payable in monthly installments of \$6,250.00, both with simple interest at the rate of 9% per annum.

The payment of the notes will be secured by two mortgages of chattels covering the equipment on which the bank has placed a value of \$434,826.00. In addition, the bank has required additional security for the notes in the form of a guaranty by applicant corporation.

The two individuals, of course, may issue the long-term notes without authorization from the Commission. As to the guaranty to be executed by applicant corporation it appears, from a review of the financial statements of both operations, that the leasing company has the financial resources which should enable it to meet its obligations and that the execution of the guaranty by the highway common carrier should not interfere with its ability to meet its public service obligations. Accordingly, we find and conclude that the proposed transaction

will not be adverse to the public interest and we will enter an order granting the application.

O R D E R

Winans Bros. Trucking Co., a corporation, having applied to the Commission for authorization to assume liability as a guarantor of indebtedness and the Commission having considered the matter and being of the opinion that a public hearing is not necessary and that the application should be granted; therefore,

IT IS HEREBY ORDERED that Winans Bros. Trucking Co. be, and it hereby is, authorized to execute a continuing guaranty in, or substantially in, the same form as that filed in this proceeding as Exhibit A.

This order shall become effective on the date hereof.

Dated at San Francisco, California,  
this 28th day of December, 1960.

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President

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Commissioners