

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
BLANKENSHIP MOTORS, a corporation,
for authority to execute a note
and chattel mortgage.

Application No. 44518
Filed June 7, 1962

O P I N I O N

Blankenship Motors, a corporation, has filed this application for authorization to execute a mortgage of chattels and to issue a note in the principal amount of \$80,000 payable in monthly installments of \$2,000 with interest on declining balances at the rate of 6 percent per annum. The proceeds from the issue of the note will be used by applicant to retire equipment obligations of approximately \$38,000 and to increase its working capital.

Applicant was organized in 1932 and has been, and now is, engaged in business as a highway common carrier of general commodities. Financial reports filed with the Commission show that the carrier's business is expanding, its operating revenues having increased from \$1,530,000 in 1958 to \$1,815,000 in 1961, and that it has depleted its working capital to a position where its current assets as of December 31, 1961, aggregated \$170,576 as compared with current liabilities of \$196,946. The company's financial position as of the end of 1961, as indicated by its balance sheet, was as follows:

<u>Assets</u>		
Current assets -		
Cash	\$ 13,377	
Accounts receivable	143,547	
Materials and supplies	7,125	
Prepaid expenses	<u>6,527</u>	
Total current assets		\$170,576
Operating property, less reserves		343,312
Deferred debits		<u>53,200</u>
Total		<u>\$567,088</u>
 <u>Liabilities and Net Worth</u>		
Current liabilities		\$196,946
Deferred credits		8,553
Long-term debt		95,537
Net worth -		
Common stock	\$ 32,150	
Earned surplus	<u>233,902</u>	
Total net worth		<u>266,052</u>
Total		<u>\$567,088</u>

From a review of the matter, we find and conclude that applicant will have need for funds to improve its cash position, 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 the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

We will enter an order granting the company's requests.

O R D E R

The Commission has considered the above-entitled matter and has determined that a public hearing is not necessary and that the application should be granted, therefore,

IT IS ORDERED that -

1. Blankenship Motors, a corporation, on or after the effective date hereof and on or before December 31, 1962, may execute a mortgage of chattels in the same form, or substantially in the same form, as that filed as Exhibit B and may issue a note in the principal amount of not to exceed \$80,000 in the form, under the terms and for the purposes set forth in this application.

2. Blankenship Motors, 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 shall become effective when Blankenship Motors has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.

Dated at San Francisco, California,
this 2nd day of July, 1962.

George T. Prover
President

John S. Mitchell

Ernest W. Fox

Frederic B. Halbach

Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.

