

**ORIGINAL**

Decision No. 65056

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 secured note for  
\$1,250,000.00 for refinancing  
and working capital purposes

Application No. 45189  
Filed February 18, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Lyon Van & Storage Co., applicant, herein, to execute deeds of trust and to issue a note in the principal amount of \$1,250,000.00, for the purpose of refinancing indebtedness and increasing its working capital.

Applicant is a California corporation engaged in the business of transportation and storage. Its public utility operations under the jurisdiction of this Commission are those of a warehouseman in a number of localities in the State of California. Applicant reports that it, together with its subsidiaries, Lyon Van Lines, Inc., Lyon Van & Storage Co., Inc., and Lyon Van & Storage Co., have issued various notes bearing interest at rates ranging from 5-1/2% to 7-1/2% per annum and having outstanding balances at December 31, 1962, aggregating approximately \$878,366.72, for which the monthly payments total \$17,759.28.

For the purpose of obtaining funds, (1) to refinance said indebtedness, (2) to convert at least \$300,000.00 of annually recurrent short-term borrowing needs to a long-term basis, and (3) to increase its working capital, applicant proposes to issue a note in favor of George Elkins Company in the principal amount of \$1,250,000.00, with principal and interest at the rate of 5-3/4% per annum payable in monthly installments of \$10,380.13, with certain prepayment privileges. Payment of the note will be secured by one or more first deeds of trust covering seven parcels of applicant's improved real property in Los Angeles County and one parcel in Sacramento County.

Upon a review of the verified application, we find that applicant's earnings and assets are sufficient to support and to service the proposed indebtedness, and that such indebtedness will bear lower interest and monthly payment rates than exist for the combined indebtedness to be refinanced. We are of the opinion 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. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Lyon Van & Storage Co., a corporation, on or after the effective date hereof and on or before June 30, 1963, may execute a deed of trust, or deeds of trust, and may issue a note in the principal amount of not to exceed \$1,250,000.00 for the purposes specified in the application, said documents shall be in the same form, or substantially in the same form, as those filed in this proceeding.

2. Lyon Van & Storage Co., 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. This order shall become effective when Lyon Van & Storage Co., a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California,  
this 12th day of MARCH, 1963.

George J. Grover  
President  
Robert W. Long  
Frederick B. Holschoff  
Dillon W. Bennett  
Commissioners

