

ORIGINAL

Decision No. 66355

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 JOHN W. ASHFORD, WILLIAM D. SORENSEN,
 GORDON H. BALL and FLORENCE A.
 SIMPSON, Executrix of the Estate of
 MILLEN L. SIMPSON, Deceased, a
 partnership doing business as
 BASSCO DRAYAGE, and BASSCO DRAYAGE,
 INC., for authority to execute a
 promissory note and chattel
 mortgage.

Application No. 45870
 Filed October 16, 1963
 and Amendment
 Filed November 1, 1963

O P I N I O N

In this application, as amended, John W. Ashford, William D. Sorensen, Gordon H. Ball and Florence A. Simpson, Executrix of the Estate of Millen L. Simpson, Deceased, a partnership doing business as Bassco Drayage, and its proposed successor in interest Bassco Drayage, Inc., a California corporation, request authorization to issue a promissory note and to execute a mortgage of chattels as security for said note.

By Decision No. 66144, dated October 15, 1963, in Application No. 45249, this Commission authorized applicant partnership to transfer its assets, including operative rights, to Bassco Drayage, Inc., in exchange for shares of the latter's capital stock. The transfer thus authorized has not been consummated and will not be consummated until such time as approval is received from the Interstate Commerce Commission regarding the transfer of interstate rights. For this reason, applicants

request that the partnership be authorized to execute the note and mortgage of chattels, or if the transfer authorized by Decision No. 66144 has been consummated that the corporation be authorized to execute said documents.

Applicant partnership is engaged in business as a highway common carrier of heavy machinery, equipment and supplies between points in California extending from Garberville, Red Bluff and Johnstonville, on the north, to Salinas, Fresno and Independence, on the south. For the twelve months ended August 31, 1963, it reports revenues of \$277,788 and net profit of \$2,460, after deducting depreciation expense totaling \$16,218.

Applicant partnership further reports that it has need for funds to refinance existing long-term debt in the amount of \$11,000 and to satisfy certain current obligations totaling \$3,000. To provide the required funds applicants propose to issue to Wells Fargo Bank their promissory note in the amount of \$15,400 representing a principal sum of \$14,000 and interest in the amount of \$1,400, the note to be repaid in monthly installments of \$641.67 over a period of two years and is to be secured by a mortgage of chattels on certain designated items of applicants' motor vehicle equipment.

Applicants report that they cannot afford to pay the \$14,000 of obligations at this time without seriously depleting their working capital. They are of the opinion that no difficulty will be experienced in satisfying these obligations over the extended payment period of two years contemplated under the proposed note.

The Commission has considered this application and is of the opinion, and finds, that (1) the proposed indebtedness is for proper purposes; (2) applicants' assets and earnings will be sufficient to support and to service the proposed note; (3) the proposed financing will not interfere with applicants' ability to meet their public service obligations; (4) 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 (5) 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. John W. Ashford, William D. Sorensen, Gordon H. Ball and Florence A. Simpson, Executrix of the Estate of Millen L. Simpson, Deceased, a partnership doing business as Bassco Drayage, or its proposed successor in interest Bassco Drayage, Inc., a corporation, on or after the effective date

hereof and on or before March 31, 1964, for the purposes specified in this proceeding, may issue a note in the principal amount of not to exceed \$15,400 and may execute a mortgage of chattels, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. John W. Ashford, William D. Sorensen, Gordon H. Ball and Florence A. Simpson, Executrix of the Estate of Millen L. Simpson, Deceased, a partnership doing business as Bassco Drayage, or its proposed successor in interest Bassco Drayage, Inc., 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 applicant partnership doing business as Bassco Drayage, or its proposed successor in interest Bassco Drayage, Inc., a corporation, 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 21/63 day of NOVEMBER, 1963.

William A. Bennett
President
George F. Trover
Fredrick B. Haloboff

George F. Trover
Fredrick B. Haloboff
Commissioners

