

ORIGINAL

Decision No. 66593

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

DAIGH & STEWART TRUCK CO., a
corporation,

for Permission to Execute Promissory
Note.

Application No. 46033
Filed December 12, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Daigh & Stewart Truck Co. to issue a note in the principal amount of \$39,638.88 payable to D. F. Reid, as executor of the Estate of Elmer Enoch Daigh, or order, to pay for the estate's interest in applicant and in satisfaction of applicant's obligation to purchase said estate's interest in Valley Crane & Rigging Service, Inc.

Applicant is a California corporation engaged in operations generally covering the entire State as a petroleum irregular route carrier and as a highway common carrier. It is engaged primarily in transporting oilfield equipment and supplies. In connection with the settlement of litigation involved with the Estate of Elmer Enoch Daigh, applicant proposes to issue a \$39,638.88 unsecured note payable in monthly installments of principal amounting to \$440.43 each, together with interest at the rate of 3% per annum on unpaid

principal. Applicant proposes to issue said note for financing, in part, the purchase price of \$117,989.14 it has agreed to pay for 4,000 shares of its own stock and 500 shares of stock of Valley Crane & Rigging Service, Inc. The remainder of the purchase price, or \$78,350.26, has been or will be satisfied by cash payments of \$66,361.12 and by cancellation of a claim against the estate in the amount of \$11,989.14.

The Commission has considered this matter and is of the opinion, and finds, that (1) the proposed note issue is for the proper purposes of (a) the acquisition of property contemplated by Section 817(a) of the Public Utilities Code with respect to stock of Valley Crane & Rigging Service, Inc., and (b) the retirement of, or exchange for, outstanding stocks of applicant as permitted by Section 817(g) of the Public Utilities Code; (2) 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 (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. The authorization herein given is not to be construed as a finding of value of the stock herein proposed to be acquired.

O R D E R

IT IS ORDERED that:

1. Daigh & Stewart Truck Co., on or after the effective date hereof and on or before April 30, 1964, for the purposes set forth in this proceeding, may issue an unsecured promissory note in the principal amount of not to exceed \$39,638.88, which note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit A.

2. Daigh & Stewart Truck 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.

3. This order shall become effective when Daigh & Stewart Truck Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$40.

Dated at San Francisco, California, this 14th day of JANUARY, 1964.

William M. Bennett
President

W. E. Mitchell

W. E. Mitchell

George T. Crover

Frederick B. Hallock
Commissioners

