

ORIGINAL

Decision No. 69613

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of QUALITY TRANSPORTATION, a
California corporation, for
authority to borrow money, issue
evidences of indebtedness and to
construct new facilities.

Application No. 47805
Filed August 11, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Quality Transportation to execute a deed of trust and to issue a promissory note in the principal amount of \$101,092.02.

Quality Transportation is a California corporation operating as a highway common carrier of general commodities, with certain exceptions, in the City of Los Angeles and vicinity. For the year ended December 31, 1964, and the six months ended June 30, 1965, the company reports a net income of \$54,382 and \$18,608, respectively.

Applicant reports that, without first receiving authority to do so as required by the Public Utilities Code, under date of November 14, 1961, it executed a deed of trust and issued a \$130,000 note for the purpose of obtaining funds for constructing terminal facilities. The note is in favor of Garretson Mortgage Company, and is repayable in monthly installments of \$1,303, which include principal and interest at the rate of 6½% per annum on unpaid principal.

The application shows that at the time the carrier issued and executed said note and deed of trust, it was unaware of the necessity of first obtaining authorization to do so from this Commission. Applicant reports that the outstanding balance owing on said note amounts to \$101,092.02 as of July 1, 1965, and seeks authority to issue a new note in said amount, and to execute a new deed of trust, to replace the unauthorized documents.

The Commission has considered this matter and finds that: (1) applicant, through inadvertence, issued a long-term \$130,000 note and executed a related deed of trust for proper purposes prior to receiving authority to do so from this Commission; (2) said note and deed of trust are void under Sections 825 and 851, respectively, of the Public Utilities Code; (3) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; (4) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and (5) the proposed deed of trust would not be adverse to the public interest. On the basis of these findings, we conclude that applicant should be granted authority to issue a new note and to execute a new deed of trust. A public hearing is not necessary.

O R D E R

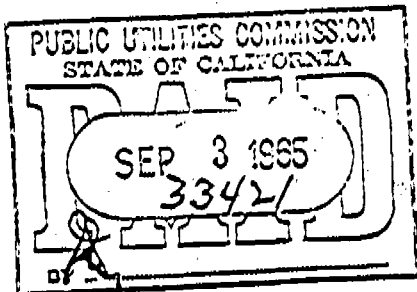
IT IS ORDERED that:

1. Quality Transportation, on or after the effective date hereof and on or before December 31, 1965, may issue its new note in the principal amount of not to exceed \$101,092.02 for the purpose set forth in this proceeding, and may execute a new deed of trust. Said new documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibit L and Exhibit M, and shall be issued and executed in the place and stead of the instruments presently existing without authorization from this Commission, copies of which are attached to the application as Exhibit H and Exhibit I.

2. Within thirty days after issuing the note herein authorized, Quality Transportation shall file with the Commission a copy thereof as actually issued.

3. This order shall become effective when Quality Transportation has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$102.

Dated at San Francisco, California, this 31st day of AUGUST, 1965.



[Signature] President
George L. Traver
[Signature]
[Signature] Commissioners