

ORIGINAL

Decision No. 69833

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)
V. B. MORGAN CO)
a Corporation, for authority to)
execute a note and security)
agreement.)

Application No. 47935
Filed October 1, 1965

O P I N I O N

This is an application for an order of the Commission authorizing V. B. Morgan Co. to execute a Security Agreement and Promissory Note in the principal amount of \$120,000.

Applicant is engaged in business as a statewide petroleum irregular route carrier. In addition, the company has permits to operate as a radial highway common carrier, highway contract carrier and city carrier. For the year 1964 it reported gross operating revenues of \$825,500 and net income of \$39,911.

The application shows that heretofore, without first obtaining authority to do so from this Commission, the company borrowed money from the Bank of America National Trust and Savings Association and encumbered equipment as security therefor, and that the funds were utilized for the acquisition of equipment and for working capital. It appears that through inadvertence and with no intention of evading provisions of the Public Utilities Code, applicant issued and executed the unauthorized documents pertaining to said borrowing, of which the outstanding balance is approximately \$94,000.

The company proposes to execute a Security Agreement and Promissory Note in the principal amount of \$120,000 in favor of Security First National Bank which will be repayable in 42 successive monthly installments of \$2,857.15 each, with interest on the unpaid principal at the rate of 6.5% per annum. The proceeds will be used to discharge the existing unauthorized indebtedness described above and the balance will be used for working capital.

The Commission has considered this matter and finds that: (1) applicant incurred an indebtedness having an outstanding balance of approximately \$94,000 for proper purposes, and issued and executed related documents, through inadvertence, without first obtaining proper authorization; (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; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed Security Agreement and Promissory Note would not be adverse to the public interest. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. V. B. Morgan Co. may execute a Security Agreement and Promissory Note in the principal amount of not to exceed \$120,000 for the purposes specified in this proceeding. Said document shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit D.

2. V. B. Morgan Co. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when V. B. Morgan Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$120.

Dated at San Francisco, California,
this 26th day of OCTOBER, 1965.

Frederick B. Holbrook
President

John E. Mitchell

George H. Hoover

Augusta

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

