

ORIGINAL

Decision No. 77676

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
	)	
of	)	Application No. 52129
	)	(Filed August 13, 1970)
MILES TANK LINES, INC. for authority	)	
to issue stock and promissory notes	)	
and for SAM CROOKSHANKS, dba SAM	)	
CROOKSHANKS CO., to purchase stock.	)	

O P I N I O N

Miles Tank Lines, Inc. (Miles) seeks an order of the Commission authorizing it to issue 6,750 shares of its \$10 par value common stock and promissory notes in the aggregate principal amount of \$67,500. Sam Crookshanks, doing business as Sam Crookshanks Co., seeks authority to purchase 2,500 of said shares.

Miles is a California corporation incorporated on or about August 7, 1969. It operates as a highway common carrier and a petroleum irregular route carrier pursuant to certificates of public convenience and necessity granted by Decision No. 76829 dated February 20, 1970 in Application No. 51564, and under permits authorizing operations as a dump truck carrier and a radial highway common carrier. For the first six months of 1970 the carrier reported gross and net operating revenues of \$434,895 and \$23,163, respectively.

Sam Crookshanks possesses permits to operate as a highway contract carrier and a radial highway common carrier, and he holds a certificate of public convenience and necessity authorizing him to operate as a petroleum irregular route carrier (Decision No. 47699 dated September 16, 1952 in application No. 33675). For the year 1969 he reported operating revenues, other income, and net income amounting to \$46,460, \$60,355, and \$63,915, respectively.

Miles proposes to issue 6,750 shares of its \$10 par value common stock and notes in the aggregate principal amount of \$67,500, all in exchange for \$135,000 cash. The notes will bear interest payable monthly on the unpaid principal balance at a rate equal to 1% over the prime rate as may be established from time-to-time by the Bank of America (San Francisco Main Office). Principal will be repayable in 24 equal monthly installments commencing 37 months after the date of the notes.

Miles plans to apply the proceeds as follows:

Purchase of operating equipment	\$ 92,500
Working capital	30,000
Materials and supplies	7,500
Discharge of obligations incurred in connection with the organiza- tion and establishment of the corporation	<u>5,000</u>
Total	<u>\$135,000</u>

Pursuant to Section 852 of the Public Utilities Code, Sam Crookshanks, being a petroleum irregular route carrier, seeks authority to purchase 2,500 of the 6,750 shares of stock which Miles proposes to issue.

After consideration the Commission finds that:

1. The proposed stock and note issues are for proper purposes.
2. The money, property or labor to be procured or paid for by the issue of the stock and notes herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
3. The proposed purchase of stock by Sam Crookshanks would not be adverse to the public interest.

On the basis of the foregoing 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. Miles Tank Lines, Inc., on or after the effective date hereof and on or before December 31, 1970, for the purposes specified herein, may issue and sell, at par for cash, not exceeding 6,750 shares of its \$10 par value common stock, of which Sam Crookshanks may purchase not exceeding 2,500 shares.

2. Miles Tank Lines, Inc., on or after the effective date hereof and on or before December 31, 1970, for the purposes specified herein, may issue its promissory notes in the aggregate principal amount of not exceeding \$67,500, which notes shall be in the same form, or in substantially the same form, as Exhibit No. 3 attached to the application.

3. Miles Tank Lines, Inc. 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.

4. This order shall become effective when Miles Tank Lines, Inc. has paid the fees prescribed by Sections 1904(b) and 1904.1 of the Public Utilities Code, which fees are \$136 and \$136, respectively, amounting to a total of \$272.

Dated at San Francisco, California, this 1<sup>st</sup> day of SEPTEMBER, 1970.

[Signature]  
Chairman  
[Signature]  
William J. [Signature]  
[Signature]  
[Signature]  
Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
PAID  
#4583  
SEP 1 1970  
272.  
BY [Signature]