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Decision No. 83615

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of MADRON TRUCKING, INC., a)
California corporation, for)
Authority to Execute Business)
Loan Agreement, Security)
Agreement and \$300,000.00 Note.)

Application No. 55220
(Filed September 30, 1974)

O P I N I O N

Madron Trucking, Inc. seeks authority to execute and deliver a Business Loan Agreement and a Security Agreement, and to issue a \$300,000 note.

Applicant is a California corporation operating as a cement carrier and as a radial highway common carrier. As of June 30, 1974, it reports total assets of \$394,118, offset by current liabilities and common stock equity in the respective amounts of \$336,081 and \$58,037.

Pursuant to a Business Loan Agreement, the carrier proposes to borrow \$300,000 from Bank of America National Trust and Savings Association. The borrowing would be evidenced by a promissory note repayable in quarterly installments of \$15,000 and 25% of net profits payable annually. Interest would be payable quarterly at the rate of not exceeding 9-3/4% per annum, and the note would be secured by a proposed Security Agreement encumbering applicant's rolling equipment.

The company proposes to use the \$300,000 of note proceeds to reimburse its treasury for funds expended for revenue equipment, after which it proposes to retire a like amount of short-term obligations.

After consideration the Commission finds that:

1. The proposed documents would not be adverse to the public interest.
2. The proposed note would be for a proper purpose.
3. The money, property or labor to be procured or paid for by the note herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

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:

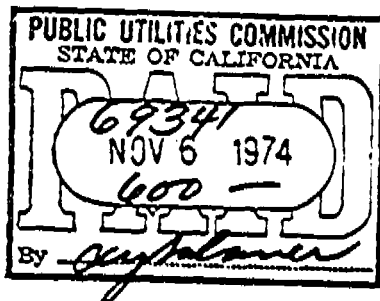
1. Madron Trucking, Inc., on or after the effective date hereof and on or before March 31, 1975, for the purpose set forth in the application, may execute and deliver a Business Loan Agreement and a Security Agreement, and may issue a promissory note in the principal amount of not exceeding \$300,000, which documents shall be in substantially the same forms as those attached to the application.
2. Madron Trucking, Inc. shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

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3. This order shall become effective when Madron Trucking, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$600.

Dated at San Francisco, California, this 22nd day of OCTOBER, 1974.

Vernon L. Stanger
President
William Symons Jr.
J. Morris Jr.
Commissioners



Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.