

LSC

Decision No. 87296

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ALLYN TRANSPORTATION )  
 COMPANY for authority to issue a )  
 promissory note in the principal sum )  
 of FIVE HUNDRED THOUSAND DOLLARS )  
 (\$500,000.00), plus interest, and to )  
 enter into a "business loan agreement" )  
 providing that said loan shall endure )  
 for a period of five (5) years, the )  
 proceeds to be used to (a) restructure )  
 and refinance long-term debt; (b) )  
 replenish and augment working cash )  
 capital; and (c) redesign and rebuild )  
 certain trailer and related equipment. )

Application No. 57225  
(Filed April 14, 1977)

O P I N I O N

Allyn Transportation Company seeks authority to execute and deliver a business loan agreement and a security agreement, and to issue a promissory note in the principal amount of \$500,000.

Applicant is a California corporation operating under the jurisdiction of this Commission as a highway common carrier, a petroleum irregular route carrier, a radial highway common carrier and a highway contract carrier. In addition, the carrier operates under a Certificate of Registration issued by the Interstate Commerce Commission. For the year ended 1976, the carrier reported total operating revenues of \$5,451,895.

Pursuant to a business loan agreement, the company proposed to issue a \$500,000 note to Community Bank<sup>1/</sup> bearing interest at the Bank of America prime rate plus 3% adjusted on a quarterly basis with a minimum rate of 9-1/4%. The note would be secured by a proposed security agreement and would be repaid in 60 monthly installments.

<sup>1/</sup> Located in Huntington Park.

According to the application, approximately \$172,877 of the proceeds would be used for essential equipment improvements, \$235,414 would be applied toward refinancing outstanding demand notes, and the remainder would be used to increase working capital.

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 proper purposes.
3. The money, property or labor to be procured or paid for by the note 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.
4. There is no known opposition and there is no reason to delay granting the relief requested.

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. Allyn Transportation Company, on or after the effective date hereof and on or before December 31, 1977, for the purposes 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 \$500,000, which documents shall be in substantially the same forms as those attached to the application.

2. Allyn Transportation Company 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.

3. This order shall become effective when Allyn Transportation Company has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$1,000.

Dated at San Francisco, California, this 3rd day of MAY, 1977.

*Paul Butyranski*

President

*William Synovus Jr.*

*James L. Stegeman*

*Richard D. Givels*

Commissioners

