

Decision No. 27798

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MOTOR FREIGHT TERMINAL COMPANY) Application No. 19794
to issue secured notes.)

Wallace K. Downey, for applicant.

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

Motor Freight Terminal Company, a corporation engaged in operating auto trucks for the transportation of property under certificates of public convenience and necessity heretofore granted by the Commission, has applied for authority to issue notes in the aggregate amount of \$25,500.00, as follows:-

1. Note for \$5,700.00 to be secured by mortgage (Exhibit A) of certain property in Santa Barbara, payable in monthly installments of \$300.00 beginning February 9, 1935 and continuing up to and including February 9, 1936, when the balance then unpaid shall be due, with interest at the rate of six percent.
2. Note for \$11,800.00 to be secured by deed of trust (Exhibit B) on certain property in Los Angeles, payable in monthly installments of \$300.00, beginning February 1, 1935, and continuing up to and including February 1, 1938, when the balance then unpaid shall be due, with interest at the rate of six percent.
3. Note for \$8,000.00 to be secured by deed of trust (Exhibit C) on certain property in Ventura, payable on November 9, 1937, with interest at the rate of seven percent.

It appears that the notes will be issued for the purpose of refunding existing obligations and of paying for real property. The note for \$5,700.00 represents the balance, now past due, of an original indebtedness of \$15,000.00 incurred in 1931 in the purchase and improvement of the Santa Barbara properties, while the note for \$11,800.00 represents the balance, now past due, of an original debt of \$21,700.00 incurred also in 1931 in the purchase of the Los Angeles site. The \$8,000.00 note will be issued to purchase a parcel of real property in Ventura to be used as a freight terminal.

A study of applicant's financial condition in connection with the application, shows as of November 30, 1934, plant and other investments reported at \$1,853,913.98, and current assets, including pre-payments and deposits, at \$152,303.85, making a total of \$2,006,217.83, against which there is reported capital stock of \$640,900.00, mortgages and notes payable of \$203,132.73, current items of \$79,648.94 and reserves of \$964,203.99, leaving a surplus balance of \$118,332.17. The income statement shows revenues and expenses for the eleven months' periods ending November 30, 1933 and November 30, 1934, as follows:-

<u>ITEM</u>	1933	1934
Operating revenues.....	\$636,137.96	\$ 813,537.20
Operating expenses.....	494,803.67	601,544.44
Net operating income	<u>\$141,334.29</u>	<u>\$ 211,992.76</u>
Nonoperating income	2,251.48	9,187.58
Gross income	<u>\$143,585.77</u>	<u>\$ 221,180.34</u>
Depreciation	157,817.19	131,048.93
Balance.....	\$ 14,251.42(1)	\$ 90,132.01
Interest, etc	11,724.68	27,889.89
Profit for period	<u>\$ 25,956.10(1)</u>	<u>\$ 62,242.12</u>

(1) Loss in 1933.

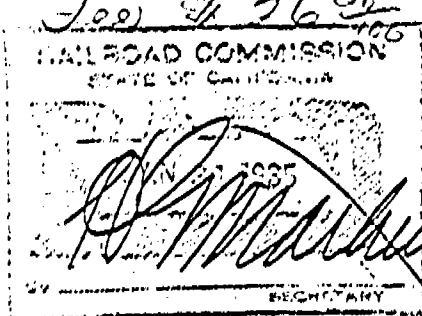
After considering this application and the company's financial reports, the Commission is of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property

or labor to be procured or paid for through the issue of the notes 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, therefore,

IT IS HEREBY ORDERED that Motor Freight Terminal Company be, and it hereby is, authorized to issue its three promissory notes in the aggregate principal amount of \$25,500.00 as indicated herein, and to secure the payment of said notes, execute a mortgage substantially in the same form as Exhibit A, and two deeds of trust, substantially in the same form as Exhibits B and C, filed in this proceeding, said notes to be issued to refund outstanding obligations and to pay for real property, as outlined in this application, provided:-

- (a) That the authority herein granted to execute the mortgage and the two deeds of trust is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Auto Truck Transportation Act and is not intended as an approval of said mortgage and said deeds of trust as to such other legal requirements to which they may be subject; and
- (b) That applicant, within thirty (30) days after the issue of the notes shall file a report, or reports, thereof, as required by the terms of General Order No. 24, which order insofar as applicable, is made a part of this order; and
- (c) That the authority herein granted will become effective when applicant has paid the fee prescribed by Section 6 of the Auto Truck Transportation Act, which fee is Twenty-six(\$26.00) Dollars.

DATED at San Francisco, California, this 20th day of January, 1935.



Leon A. Wilson
W. B. Brown
W. H. Brown
W. H. Brown
Commissioners.