

Decision No. 37281

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER of the Application of  
SOUTHERN CALIFORNIA FREIGHT LINES  
for an order authorizing execution of  
a note secured by mortgage on motor  
equipment.

Application No. 26258

ORIGINAL

BY THE COMMISSION:

O P I N I O N

In this application Southern California Freight Lines asks permission to issue to the Bank of America National Trust & Savings Association its 5% installment note for the sum of not exceeding \$180,000 and to secure the payment of such note by the execution of a mortgage of chattels on motor truck equipment. A copy of the proposed note is filed in this proceeding as Exhibit "B" and a copy of the proposed mortgage of chattels as Exhibit "C." Attached to the proposed mortgage of chattels is a list of the equipment on which it will be a lien.

Southern California Freight Lines is a corporation engaged in the transportation of property as a highway common carrier between various points in the six southern counties of California.

By Decision No. 36101, dated January 12, 1943, in Application No. 25447, the Commission authorized Southern California Freight Lines to issue an installment note for the sum of \$125,000. There is now due on this note, \$84,000. As said, applicant asks permission to issue a note for the sum of not exceeding \$180,000. If it issues this note, it will use \$84,000 of the proceeds to pay the balance due on the note issued under the authority granted by Decision No. 36101; about \$50,000 to pay short-term loans due the Bank of America National Trust & Savings Association; about \$10,000 to pay the balance due on equipment contracts, and about \$36,000 to pay current liabilities. The principal of the \$180,000 note is payable in monthly installments of \$10,000; the first of such installments being due on September 10, 1944. The note bears interest at the rate of 5% per annum on deferred balances, payable monthly.

It should be understood that the payment of the principal of the note and the interest thereon is not a charge to operating expenses.

#### O R D E R

The Commission having considered the request of Southern California Freight Lines for permission to issue a note for the sum of not exceeding \$180,000 and to execute a mortgage of chattels to secure the payment of such note, and

it being of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for by the issue of said note is reasonably required by applicant for the purposes herein stated, and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED that Southern California Freight Lines be, and it is hereby, authorized to issue, after the effective date hereof and on or before October 1, 1944, to the Bank of America National Trust & Savings Association its 5% installment note for the sum of not exceeding \$150,000, said note to be in substantially the same form as the note filed in this proceeding as Exhibit "B."

IT IS HEREBY FURTHER ORDERED that Southern California Freight Lines be, and it is hereby, authorized to execute, for the purpose of securing the payment of said note, a mortgage of chattels substantially in the same form as the mortgage of chattels filed in this proceeding as Exhibit "C."

IT IS HEREBY FURTHER ORDERED that Southern California Freight Lines shall use the proceeds realized through the issue of said note to pay the balance due, \$84,000, on the note issued under the authority granted by the Commission in Decision No. 36101, dated January 12, 1943, to pay short-term loans due the Bank of America National Trust & Savings Association in the approximate amount of \$50,000; to pay the balance due on equipment

contracts in the approximate amount of \$10,000, and to pay current liabilities in the approximate amount of \$36,000.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Southern California Freight Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Ninety-six (\$96.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said note, Southern California Freight Lines shall file with the Railroad Commission a true and correct copy of the installment note issued and a true and correct copy of the mortgage of chattels executed under the authority herein granted, and shall also file with the Railroad Commission a statement showing in detail the purposes for which it expended the proceeds realized through the issue of the note herein authorized.

Dated at <sup>San Francisco</sup> ~~San Francisco~~, California, this 16<sup>th</sup> day of August, 1944.

Richard L. Baker  
Justin F. Coenen  
Francis R. Havens  
James O. ...  
Joseph ...  
Commissioners.

