

Decision No. 37525

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
OREGON-NEVADA-CALIFORNIA FAST FREIGHT,
INC., a corporation, for an order
authorizing the issuance of notes and
mortgage of property.

Application No. 26462

BY THE COMMISSION:

O P I N I O N

In this application, Oregon-Nevada-California Fast Freight, Inc., a California corporation, asks permission to issue to The Anglo California National Bank of San Francisco its promissory note for the sum of \$200,000 and execute a mortgage of chattels to secure the payment of the note.

Applicant is engaged in the business of a highway common carrier. For the nine months ending September 30, 1944, its operating revenues are reported at \$1,283,875.33 and its net income at \$20,145.07. Its current assets on September 30, 1944 amounted to \$227,506.20 and its current liabilities to \$230,707.83. In addition its equipment and long-term indebtedness amounted to \$87,074.69.

Applicant proposes to use the \$200,000 which it asks permission to borrow for the following purposes:

1. To pay equipment obligations	\$ 78,250.12
2. To pay mortgages on terminal property	8,824.47
3. To pay indebtedness due officers	15,903.79
4. To pay obligation on purchase of Oregon Express, Inc.	18,000.00
5. To acquire additional equipment	66,700.00
6. To provide additional working capital	<u>12,321.62</u>
Total	<u>\$200,000.00</u>

The principal of the note, which applicant desires to issue, will be payable in equal monthly installments over a period of four years in payments of \$4,165 (one payment will be \$4,245) plus interest on the unpaid balance at the rate of 5% per annum.

Applicant proposes to use the same type of mortgage and the same type of note as filed in Application No. 23893 with the following exceptions:

1. Article VI (x) page 8, line 15, after the words "and take possession thereof;" will be added the following language: "provided, however, that Mortgagee will permit Mortgagor to sell or dispose of equipment that, in the judgment of Mortgagor, needs to be sold by reason of age or obsolescence, without the written consent of Mortgagee, providing that such equipment will be replaced by equipment of a similar nature or usefulness and held under the terms of said mortgage as security for the repayment of the indebtedness secured;"
2. Exhibit A, Application No. 23893, Parts I, II, III, IV, and V will be revised so as to correctly reflect presently held equipment, certificates, and facilities.

3. Exhibit B, Application No. 23893, being the promissory note, will be revised so as to provide the principal sum, the monthly payments, and the interest charges, as stated hereinabove.

O R D E R

Oregon-Nevada-California Fast Freight, Inc., having applied to the Railroad Commission for authority to execute a mortgage of chattels and to issue a note for \$200,000, and the Commission having considered applicant's requests and it being of the opinion that this is not a matter on which a public hearing is necessary; that the money, property or labor to be procured or paid for through 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 Oregon-Nevada-California Fast Freight, Inc., be, and it is hereby, authorized to execute, after the effective date hereof and on or before December 31, 1944, a mortgage of chattels and a note in the principal sum of \$200,000, said mortgage of chattels and said note to be in substantially the same form as the mortgage of chattels and the note filed in Application No. 23893, with the exceptions noted in the foregoing Opinion.

IT IS HEREBY FURTHER ORDERED that Oregon-Nevada-California Fast Freight, Inc. shall use the proceeds realized through

the issue of said note for the purposes mentioned in the foregoing Opinion.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicant has paid the fee required by Section 57 of the Public Utilities Act.

IT IS HEREBY FURTHER ORDERED that Oregon-Nevada-California Fast Freight, Inc. shall file with the Railroad Commission within thirty (30) days after the execution and delivery, a copy of the mortgage of chattels and a copy of the note executed under the authority herein granted, and shall also file a statement showing the purposes for which it has used the proceeds received through the issue of said \$200,000 note.

Dated at San Francisco, California, this 5th day of December, 1944.

Richard Lachse

Justus J. Coenen

Francis J. Havens

Francis J. Coenen

John A. P. P. C. C.

 Commissioners.

