

Decision No. 37567

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

BY THE COMMISSION:

**ORIGINAL**

FIRST SUPPLEMENTAL OPINION

By its Order in Decision No. 37281, dated August 16, 1944, the Commission authorized Southern California Freight Lines to issue its 5% installment note to the Bank of America National Trust & Savings Association for the sum of not exceeding \$180,000, payable in monthly installments of \$10,000, and to use the proceeds realized through the issue of the 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. The Commission also authorized applicant to execute a mortgage of chattels to secure the payment of the note.

Southern California Freight Lines, having negotiated a more favorable loan agreement with the Bank of America National Trust & Savings Association, now desires authority to issue the note in the principal sum of \$150,000 to be repaid in installments of \$7,500 a month, with interest on the deferred balances at the rate of 5% per annum payable monthly, and to use the proceeds realized through the issue of the note to pay the balance due, \$72,000, on the note issued under the authority granted by the Commission in Decision No. 36101, dated January 12, 1943, to pay current loans due the Bank of America National Trust & Savings Association in the approximate sum of \$30,000; to make the initial payment on the purchase price of twenty-one (21) trailers, in the sum of \$11,468.21; to pay balance due on equipment contract in the sum of \$19,000; and apply the balance on the reduction of current liabilities in the approximate sum of \$18,000. The note is to be secured by a mortgage of chattels on the equipment listed in Exhibit "C" filed in this application, except as modified as indicated in the letter of December 9, 1944, from H. J. Bischoff, on file in this proceeding.

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

FIRST SUPPLEMENTAL ORDER

The Commission having considered Southern California Freight Lines' request for a modification of Decision No. 37281,

dated August 16, 1944, 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 the note herein authorized is reasonably required for the purposes herein stated, and that applicant's request for modification should be granted subject to the provisions of this First Supplemental Order, therefore,

IT IS HEREBY ORDERED that the Commission's Order in Decision No. 37281, dated August 16, 1944, be, and the same is hereby, amended so as to read:

IT IS HEREBY ORDERED that Southern California Freight Lines be, and it is hereby, authorized to issue, on or before March 31, 1945, to the Bank of America National Trust & Savings Association its 5% installment note for the sum of not exceeding \$150,000, said note, except as modified as indicated in the above First Supplemental Opinion, 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, except as modified as indicated in the above First Supplemental Opinion, 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, \$72,000, on the note issued

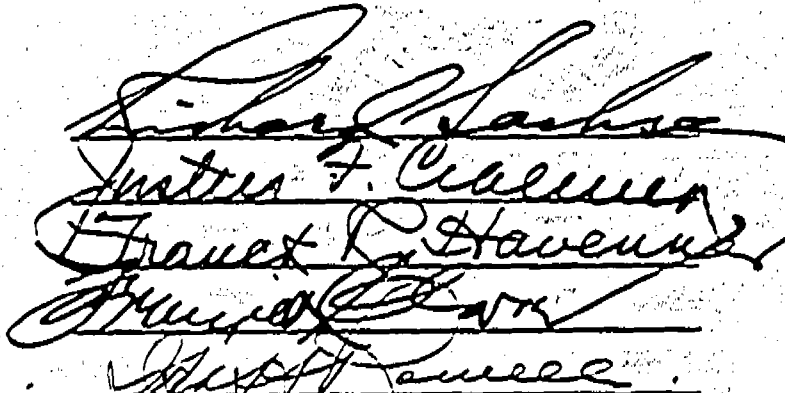
under the authority granted by the Commission in Decision No. 36101, dated January 12, 1945, to pay current loans due the Bank of America National Trust & Savings Association in the approximate sum of \$90,000; to make the initial payment on the purchase of twenty-one (21) trailers, in the sum of \$11,468.21; to pay balance due on equipment contract in the sum of \$19,000; and apply the balance on the reduction of current liabilities in the approximate sum of \$18,000.

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.

IT IS HEREBY FURTHER ORDERED that the Commission's Order in Decision No. 37281, dated August 16, 1944, shall remain in full force and effect except as modified by this First Supplemental Order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of December, 1944.

  
Commissioners