

ORIGINAL

Decision No. 38204

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER of the Application of)	
	:	
SOUTHERN CALIFORNIA FREIGHT LINES)	Application
	:	No: 26909
for an order authorizing execution)	
of a note secured by mortgage on motor	:	
equipment.)	
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BY THE COMMISSION:

O P I N I O N .

Southern California Freight Lines, a corporation engaged in the business of transporting property as a highway common carrier between various points in southern California, has applied to the Railroad Commission for permission to execute a mortgage of chattels and to issue, to Bank of America National Trust & Savings Association, its promissory note in the principal amount of \$85,000, payable in monthly installments of \$2,361, beginning in September, 1945, with the final payment in August, 1948, with interest at the rate of five per cent per annum.

The proceeds received through the issue of the note will be used by the company to pay, in part, the balances due on certain indebtedness upon which it is paying interest at the rate of six per cent per annum as follows: :

1. Payable to Fruehauf Trailer Company, unpaid balance under conditional sale contract authorized by Decision No. 37569, dated December 19, 1944, in the original amount of \$57,339.21, payable over a period of 24 months, for the purchase of 21 trailers.	\$35,671
2. Payable to Autocar Sales & Service Company, conditional sale contract not authorized by the Commission, in the amount of \$13,697, payable over a period of 12 months for the purchase of two tractors	13,697
3. Payable to Fruehauf Trailer Company for the purchase of two semi-trailers	6,732
4. Payable to General Motors Corporation for the purchase of ten trucks.	<u>29,000</u>
Total	<u>\$85,100</u>

A copy of the proposed note is filed in the proceeding as Exhibit "B" and a copy of the proposed mortgage of chattels as Exhibit "C". They appear to be in satisfactory form.

O R D E R

Southern California Freight Lines having applied to the Railroad Commission for permission to execute a mortgage of chattels and to issue a note for \$85,000, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, that the requests of applicant should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein and that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED:

1. Southern California Freight Lines, after the effective date hereof and on or before October 31, 1945, may execute a mortgage of chattels in, or substantially in, the same form as that filed as Exhibit "C", and may issue a note in the principal amount of \$85,000 in, or substantially in, the same form as that filed as Exhibit "B".

2. Southern California Freight Lines shall use the proceeds to be received through the issue of the note herein authorized to pay, in part, the outstanding indebtedness referred to in the preceding opinion.

3. 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.

4. Southern California Freight Lines shall file with the Commission a report or reports as required by the Commission's General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

Dated at San Francisco, California, this 12th day of September, 1945.

David C. Quinn
Justin F. Craven
Francis W. [unclear]
W. H. [unclear]
Commissioners

