

ORIGINAL

Decision No. 38873

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)	
SAN DIEGO FORWARDING CO., a corpora-)	Application
tion, for authority under Section 52,)	No. 27387
Public Utilities Act, to borrow money and)	
to execute long term promissory notes)	
secured by chattel mortgages on equipment.)	
-----)	

OPINION AND ORDER

San Diego Forwarding Co., a corporation engaged in the express and freight forwarding business from Los Angeles to San Diego, has applied to the Railroad Commission for permission to execute mortgages of chattels and to issue notes in the aggregate amount of \$25,000 to finance the cost of new equipment.

The Company reports that it is necessary for it to replace existing equipment and to acquire additional equipment to meet increased business requirements. It proposes to replace five units of delivery equipment, with semi-trailers, and to purchase four new Fruehauf semi-trailers and three International tractors. It is estimated that the present delivery equipment can be replaced at a total cost of \$9,000, after making allowance for salvage of \$3,000 from the present equipment, and that the additional semi-trailers and tractors can be acquired for \$19,000, making a total outlay required of \$28,000.

To finance the purchase price, in part, applicant proposes to execute a series of promissory notes in favor of San Diego Trust and Savings Bank in an amount not to exceed \$25,000,

with interest at a rate not exceeding five percent per annum, payable thirty-six months after date of issue of the notes, payment to be secured by mortgages of chattels in substantially the same form as that filed in this proceeding as Exhibit "A". The mortgages will be liens on the equipment acquired. It appears to be applicant's intention to issue at this time a note for \$12,500 and hereafter to issue notes, from time to time, as equipment becomes available, the total amount to be issued, however, not to exceed \$25,000.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the request 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 said notes is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. San Diego Forwarding Co., after the effective date hereof and on or before December 31, 1946, may issue its promissory notes in the total amount of not exceeding \$25,000, each note to bear interest at not exceeding a rate of five percent per annum and to be payable on or before thirty-six months after date of issue, and may execute mortgages of chattels to secure the payment of said notes, in, or substantially in, the same form as the mortgage of chattels filed in this proceeding as Exhibit "A".

2. San Diego Forwarding Co. shall use the proceeds to be received through the issue of said notes to finance in part the cost of acquiring units of automotive equipment referred to herein.

3. San Diego Forwarding Co. shall keep such record of the issue of the notes herein authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report as required by the Railroad Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective when San Diego Forwarding Co. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

Dated at San Francisco, California, this 23rd day of April, 1946.

David Anderson
Justin J. Casper
Thomas D. Dwyer
Irvin Powell
Harold D. Kule
Commissioners

