

ORIGINALDecision No. 39902

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER of the Application of)	
SOUTHERN CALIFORNIA FREIGHT LINES	:	
for an order authorizing execution)	Application
of a note secured by mortgage on	:	No. 28147
motor equipment.)	
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OPINION AND ORDER

Southern California Freight Lines, applicant herein, is a corporation engaged in the business of transporting property as a highway common carrier in southern California. It reports its assets and liabilities, as of November 30, 1946, as follows:

Assets

Intangible property		\$121,267.62
Tangible property-less depreciation reserves		486,210.70
Current and deferred assets-		
Cash and deposits	\$69,805.24	
Temporary cash investments	10,000.00	
Accounts receivable	17,201.98	
Materials and supplies	36,878.86	
Prepaid expenses	27,144.84	
Other deferred charges	<u>2,023.73</u>	<u>163,054.65</u>
Total assets		<u>\$770,532.97</u>

Liabilities

Notes and contracts payable		\$150,332.95
Advances from associated companies		59,570.10
Current liabilities-		
Short term notes	\$55,500.00	
Accounts payable	139,225.15	
Taxes accrued	<u>8,901.91</u>	<u>203,627.06</u>
Deferred credits		55,607.58
Capital and surplus-		
Preferred stock	18,000.00	
Common stock	50,000.00	
Premium on stock	1,350.88	
Capital surplus	118,279.49	
Earned surplus	<u>113,764.91</u>	<u>301,395.28</u>
Total liabilities		<u>\$770,532.97</u>

The application indicates that during 1946 applicant purchased thirteen pickup and delivery trucks for \$25,062.10, and four Fruehauf dollies and twenty-seven Fruehauf semi-trailers for \$90,415.27. In addition, under authority granted by Decision No. 38728, dated February 26, 1946, it issued a note for \$173,000 to refund earlier indebtedness and to finance the cost of property and improvements.

Applicant now proposes to execute a mortgage of chattels to Bank of America National Trust and Savings Association and to issue an installment note for \$150,000 payable monthly, with interest at the rate of 5% per annum, in installments of \$3,125 commencing on March 15, 1947, and thereafter on the fifteenth day of each of the succeeding forty-seven months. It proposes to use \$15,000 of the proceeds to pay the unpaid balance of the note issued under authority granted by Decision No. 38728, \$49,860.40 to pay for twelve new Fruehauf semi-trailers and four Fruehauf dollies, \$69,097.31 to pay the balance due on the purchase of equipment in 1946, and the remainder to reduce its outstanding current liabilities.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application 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 purposes specified herein, therefore,

IT IS HEREBY ORDERED as follows:

1. Southern California Freight Lines, after the effective date hereof and on or before March 31, 1947, may issue an installment note for \$150,000 and may execute a mortgage of chattels in, or substantially in, the same form as the note and the mortgage of chattels filed in this proceeding as Exhibits "B" and "C", respectively, for the purpose of paying outstanding indebtedness and of financing the cost of equipment as referred to herein.

2. Southern California Freight Lines shall file with the Commission a report of the issue of the note and the disposition of the proceeds as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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.

Dated at Los Angeles, California, this 28th day of January, 1947.

Harold P. Kula
Justice S. C. Cullen
W. H. Kowell
A. J. ...

Commissioners

