

Decision No. 40094

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 )  
 of a note secured by trust deed on )  
 real property. )  
 ----- )

**ORIGINAL**Application  
No. 28253O P I N I O N

This is an application by Southern California Freight Lines for authority to execute a deed of trust and to issue a note for \$18,000 to finance the cost of additional property and to pay indebtedness.

Southern California Freight Lines is engaged in the business of transporting property, as a highway common carrier, in southern California. It reports its assets and liabilities, as of December 31, 1946, as follows:

Assets

Current assets		
Cash and deposits	\$ 80,758.66	
Temporary cash investments	10,000.00	
Accounts receivable	15,858.47	
Materials and supplies	37,800.20	\$144,417.33
Intangible property		121,267.32
Tangible property, less reserves for depreciation		490,292.76
Deferred charges		<u>43,489.17</u>
Total		<u>\$799,466.58</u>

Liabilities

Current liabilities		
Notes payable	\$ 51,500.00	
Accounts payable	164,256.89	
Taxes accrued	12,252.83	
C.O.D.'s unremitted	<u>5,505.60</u>	\$233,515.32
Long term notes and contracts payable		210,775.99
Deferred credits		56,549.21
Preferred stock		18,000.00
Common stock		50,000.00
Premium on stock		1,350.88
Capital surplus		118,279.49
Earned surplus		<u>110,995.69</u>
Total		<u>\$799,466.58</u>

During 1946 the company purchased a parcel of land in Indio upon which it has had constructed a freight terminal. It now proposes to purchase certain adjoining land, consisting of 50,000 square feet, and to improve the same with fuel tanks and pumps for use in its operations. Its cash requirements for these purposes are reported as follows:

Land - purchase price, \$2,500 less \$250 deposit heretofore paid	\$ 2,250
Fuel tanks and pumps (1-8000 gal. tank, 2-5000 gal. tanks, 3 pumps, together with appurtenances and fixtures, installation charges, sales tax, etc.)	4,515
Paving entire yard comprising about 50,000 square feet	<u>5,000</u>
Total	\$11,765

In order to finance its acquisition and construction costs, and for other purposes, the company proposes to borrow \$18,000 from Citizens National Trust and Savings Bank of Riverside, said sum to be represented by a note payable in monthly installments of \$200 with interest at the rate of 5% per annum, and to be secured by a deed of trust on the properties referred to herein. A copy of the proposed deed of trust has been filed

in this proceeding as Exhibit "C".

The company proposes to use the remaining proceeds to be received through the issue of the note, amounting to \$6,235.00, to reduce its outstanding current liabilities. Applicant's financial statement indicates that it has need for the additional funds to acquire and improve said properties and pay outstanding obligations.

O R D E R

Southern California Freight Lines having applied to the Public Utilities Commission for authority to execute a deed of trust and to issue a note for \$18,000, and the Commission having considered the matter and being 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 said note is reasonably required for the purposes specified herein,

IT IS HEREBY ORDERED as follows:

1. Southern California Freight Lines, after the effective date hereof and on or before May 31, 1947, may execute a deed of trust substantially in the same form as that filed in this proceeding as Exhibit "C", and may issue a note in the principal amount of not exceeding \$18,000, payable in monthly installments of \$200, with interest at the rate of 5% per annum, for the purpose of financing the cost of acquiring and constructing the properties referred to in the preceding opinion and of paying outstanding indebtedness.

2. Southern California Freight Lines shall file with the Commission a report, or reports, as required by 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 applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

Dated at Los Angeles, California, this 25<sup>th</sup> day of March, 1947.

Harold P. Kula

Julius F. Casner

A. J. [unclear]

Frederick [unclear]

Commissioners

