

Decision No. 40589

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of CALIFORNIA MOTOR EXPRESS, LTD.,
a corporation, for authority to
issue a Note and a Deed of Trust.

Application
No. 28616

OPINION AND ORDER

ORIGINAL

This is an application for an order of the Public Utilities Commission authorizing California Motor Express, Ltd. to execute a deed of trust and to issue a note for \$250,000 for the purpose of financing the cost of terminal property.

California Motor Express, Ltd. is a corporation engaged in business as an express carrier transporting property between points in California. In its financial statements filed with the Commission it has reported operating revenues of \$2,176,078 in 1945, \$2,972,855 in 1946, and of \$1,572,183 during the first six months of 1947, and net operating loss of \$5,077 in 1945 and of \$6,032 in 1946, and net profits of \$16,587 during the first six months of 1947.

The company does not own or operate motor equipment but transports its express traffic over the lines of other common carriers. Its tangible assets for the most part consist of land and improvements, in various cities in the state, used for terminal facilities. In Los Angeles it owns properties at 1005 Hooper Avenue, comprising 40,000 square feet and on which are located dock and office facilities, and at 1751 Santa Fe Avenue (corner of Olympic Boulevard) comprising 100,000 square feet, which are unimproved. In addition, it is occupying certain land at 456 South Alameda Street under lease arrangements.

It is reported in the present application that the company proposes to construct a new terminal on its Santa Fe Avenue property to include a loading platform, general offices and a separate warehouse and storage building, the cost of which will be approximately \$150,000. The construction of this new terminal will relieve the company of the necessity of continuing its present terminal on Hooper Avenue and the occupancy of the leased premises on South Alameda Street. Further, it will consolidate the operations at the one terminal on Santa Fe Avenue and should result in a reduction of operating costs. The company proposes to borrow \$150,000 from the Bank of America National Trust & Savings Association to finance the construction costs.

The amount to be borrowed will be represented by a note bearing interest at the rate of 4% per annum on deferred balances, and is payable in monthly installments of \$1,620 with payment secured by a deed of trust covering the land the company now owns at Santa Fe Avenue and Olympic Boulevard.

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 said note 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. California Motor Express, Ltd., after the effective date hereof and on or before October 31, 1947, may issue for the purpose of paying in part the cost of the terminal properties referred to herein a note for not exceeding \$150,000 and execute

a deed of trust to secure the payment of said note, said note and deed of trust to be in, or substantially in, the same form as the note and the deed of trust filed in this proceeding as Exhibit "A" and Exhibit "B", respectively.

2. California Motor Express, Ltd. shall file with the Commission a report of the issue of the note herein authorized and of 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 California Motor Express, Ltd. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred Fifty (\$150.00) Dollars.

Dated at Los Angeles, California, this 5th day of August 1947.

Harold H. Kuhn
Justice J. C. Calverley
James H. Powell
Harold H. Kuhn

Commissioners

