

Decision No. 41715

ORIGINAL

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 mortgage on
motor equipment.

Application
No. 29385

OPINION AND ORDER

This is an application by Southern California Freight Lines for an order authorizing it to issue, for the purposes hereafter stated, to Bank of America National Trust and Savings Association, its 5% installment note for \$133,200 and to execute a mortgage of chattels to secure the payment of said note. A copy of the proposed note is on file in this application as Exhibit "B" and a copy of the proposed mortgage of chattels as Exhibit "C".

Southern California Freight Lines is a corporation engaged in the business of transporting property as a highway common carrier between various points in Southern California. For the year 1947 it reported operating revenues of \$1,957,547 and net income of \$64,791.

As of March 31, 1948, Applicant's balance sheet shows assets and liabilities as follows:

<u>Assets</u>		
Current assets		\$ 209,540.38
Cash and deposits	\$73,677.24	
Accounts receivable	85,054.99	
Materials and supplies	50,808.15	
Tangible property depreciated		724,693.27
Intangible property		96,267.32
Other investments		246.25
Prepayments		<u>72,096.81</u>
Total Assets		<u>\$1,102,844.06</u>

Liabilities

Current liabilities		\$ 318,825.04
Accounts payable	\$282,944.74	
Notes payable-due within one year	15,577.35	
Taxes accrued	9,867.57	
C.O.D.'s unremitted	10,435.38	
Long-term notes and contracts		428,133.74
Deferred liabilities		85.70
Reserve for contingent liabilities		3,113.13
Capital stock - preferred		18,000.00
Capital stock - common		50,000.00
Capital surplus and premium		119,630.37
Earned surplus		<u>165,056.08</u>
	Total Liabilities	<u>\$1,102,844.06</u>

The \$133,200 note which Applicant desires to issue will bear interest at the rate of 5% per annum on deferred balances. The principal sum is payable in consecutive monthly installments of \$3,700. The first installment is payable on July 15, 1948. Applicant will use the note proceeds to pay \$67,700 due on various notes payable to Bank of America National Trust and Savings Association, and to pay \$65,500 due Freuhauf Trailer Company on account of the purchase of twenty-five semi-trailers. The payment of the note will be secured by a mortgage of chattels which will be a lien on sixty-seven units of motor equipment of one kind or another, having an aggregate book value of \$176,313.63.

The Commission has considered Applicant's requests and is of the opinion that a hearing is not necessary on this application, that the money, property or labor to be procured or paid for through the issue of the \$133,200 note is reasonably required by Southern California Freight Lines for the purposes herein stated, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Southern California Freight Lines, after the effective date hereof and on or before September 30, 1948, may issue to Bank of America National Trust and Savings Association its 5% promissory installment note for the sum of not exceeding \$133,200, said note to be in, or substantially in, the same form as the note on file in this application as Exhibit "B".

2. Southern California Freight Lines, after the effective date hereof and on or before September 30, 1948, may for the purpose of securing the payment of said note, execute a mortgage of chattels in, or substantially in, the same form as the mortgage of chattels on file in this application as Exhibit "C".

3. Southern California Freight Lines shall use the proceeds obtained through the issue of said \$133,200 note to pay \$67,700 due Bank of America National Trust and Savings Association on various notes in the aggregate face amount of \$67,700 and to pay \$65,500 due Freuhauf Trailer Company on account of the purchase of twenty-five semi-trailers.

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

5. 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,

which fee is one hundred thirty-four (\$134.00) dollars.

Dated at Los Angeles, California, this 15th day
of June, 1948.

R. E. Johnson
Justin D. Calver
Harold F. Kels
Kenneth Patten
Commissioners

