

ORIGINAL

Decision No. 44785

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
O. J. BOEDEKER and A. T. RAWLINS,)
copartners doing business as SACRAMENTO)
FREIGHT LINES, for authority to execute)
a conditional sales contract and)
promissory note, and chattel mortgage.)
-----)

Application
No. 31733

O P I N I O N

In this application, O. J. Boedeker and A. T. Rawlins, partners doing business as Sacramento Freight Lines, seek authorization to execute a conditional sale contract and a promissory note providing for deferred payments of \$74,348.97, and to execute a mortgage of chattels in the amount of \$23,205, for the purpose of financing the cost of equipment.

Applicants are engaged in business as highway common carriers of certain classes of property generally between Sacramento and Marysville, Portola, Greenville and other points, and between Sacramento and Los Angeles. For the last two and one-half years they report revenues as follows:

	<u>Operating Revenues</u>	<u>Net Income</u>
1948	\$1,061,228	\$39,085
1949	1,161,254	(2,599)
1950 (6 months)	624,950	22,123

As of June 30, 1950, applicants report their balance sheet as follows:

Assets

Current assets -		
Cash and deposits	\$ 38,088.43	
Accounts receivable	82,126.08	
Materials and supplies	<u>14,146.55</u>	
Total current assets		\$134,361.06
Tangible property -		
Carrier operating property	477,426.61	
Less-Reserve for depreciation	<u>216,120.95</u>	
Net tangible property		261,305.66
Intangible property		9,140.64
Deferred debits		<u>7,170.34</u>
	Total	<u>\$411,977.70</u>

Liabilities and Net Worth

Current liabilities -		
Accounts payable	\$ 93,820.54	
Accrued liabilities	18,535.56	
Contracts payable	<u>10,514.08</u>	
Total current liabilities		\$122,870.18
Long-term obligations		62,152.50
Reserve for injuries and damages		2,660.74
Net worth		<u>224,294.28</u>
	Total	<u>\$411,977.70</u>

Exhibit A attached to the application shows that applicants own and operate 41 trucks and tractors and five service automobiles. They report that it is necessary for them to acquire additional equipment in order to meet demands for service, and that accordingly they propose to purchase 11 Trailmobile van trailers and two Sterling tractors.

The application shows that the cost of the trailers, including taxes, amounts in the aggregate to \$77,065.53, of which \$11,559.83 will be provided by a cash payment and trade-in allowances, leaving a balance of \$65,505.70, and that adding the time price differential of \$8,843.27 results in a total unpaid balance of \$74,348.97. Applicants propose to execute a conditional sale contract and also a promissory note to represent the unpaid balance, said amount to be payable in 35 monthly installments of \$2,065.24 each

and one installment of \$2,065.57.

The cost of the two Sterling tractors is reported at \$25,490. Applicants propose to finance a portion of the total cost in cash, and to execute a mortgage of chattels in the amount of \$23,205 for the remainder, said amount to be payable in 35 monthly installments of \$645 and one installment of \$630.

A copy of the conditional sale contract has been filed in this proceeding as Exhibit B, a copy of the promissory note as Exhibit C, and a copy of the mortgage of chattels as Exhibit D.

It appears that applicants have need for the moneys to be represented by the proposed instruments in order to finance in part the cost of the equipment they intend to acquire. An order will be entered in the proceeding.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the note and the execution of the conditional sale contract and mortgage of chattels herein authorized is reasonably required by applicants for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

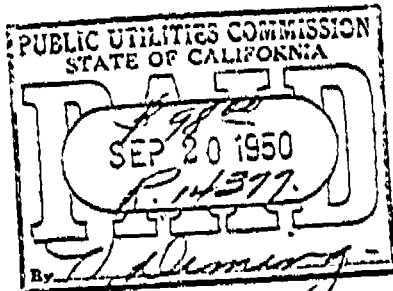
1. O. J. Boedeker and A. T. Rawlins, partners doing business as Sacramento Freight Lines, after the effective date

hereof and on or before December 31, 1950, may execute a conditional sale contract providing for deferred payments of not exceeding \$74,348.97, a promissory note in the principal amount of \$74,348.97, and a mortgage of chattels in the amount of \$23,205, for the purpose of financing in part the purchase price of the equipment referred to in this proceeding, which conditional sale contract, note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit B, Exhibit C, and Exhibit D, respectively.

2. Applicants 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 applicants have paid the fee prescribed by Section 57 of the Public Utilities Act.

Dated at San Francisco, California, this 19th day of September, 1950.



J. Downing
Justice F. Cravener
Robert F. Scull

Commissioners