

ORIGINAL

Decision No. 44908

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. 31802
motor equipment.	)	
-----	:	

O P I N I O N

This is an application by Southern California Freight Lines, a corporation, for an order authorizing it to execute a mortgage of chattels and to issue a note in the principal amount of \$114,364.04 for the purpose of paying indebtedness and of financing the cost of additional equipment.

Applicant is a California corporation engaged in business as a highway common carrier of property generally between Los Angeles, Santa Ana, Colton, Oceanside, San Diego, El Centro, Hemet, Banning, Indio, and other points in southern California. Its annual financial reports to the Commission for the last three years show, for 1947, operating revenues at \$1,957,547 and net income at \$64,791; for 1948, operating revenues at \$2,470,184 and net income at \$53,823; and for 1949, operating revenues at \$2,553,735 and net income at \$40,921. Its reports show that its investment in operating property has increased from \$1,260,004 at the close of 1947 to \$1,698,858 on July 31, 1950.

In Exhibit A filed in this proceeding, applicant reports its assets and liabilities as of July 31, 1950, as follows:

Assets

Current assets -		
Cash and deposits	\$ 85,365.71	
Accounts receivable	52,965.10	
Materials and supplies	<u>53,075.10</u>	
Total current assets		\$ 191,405.91
Tangible property -		
Carrier operating property	1,698,858.02	
Unfinished construction	1,152.67	
Nonoperating property	<u>15,235.15</u>	
	<u>1,715,245.84</u>	
Less: Reserves	<u>1,026,666.32</u>	
Total tangible property		688,579.52
Intangible property		97,267.32
Other investments		259.90
Deferred charges		<u>59,620.03</u>
	Total	<u>\$1,037,132.68</u>

Liabilities

Current liabilities -		
Accounts payable	\$ 286,421.48	
Accrued liabilities	34,729.45	
Intercompany accounts	<u>76,902.56</u>	
Total current liabilities		\$ 398,053.49
Notes and contracts payable		293,080.90
Deferred credits		246.27
Preferred stock		18,000.00
Common stock		50,000.00
Surplus		<u>277,752.02</u>
	Total	<u>\$1,037,132.68</u>

Applicant reports that heretofore it has purchased from Fruehauf Trailer Company 41 units of equipment under conditional sale contracts on which there remains an unpaid balance of \$44,560. It further reports that it has need for additional equipment to handle the volume of traffic that is offered to it and that it intends to purchase from Fruehauf Trailer Company 12 stainless steel 24-foot semi-trailers, fully equipped, for the sum of \$5,816.17 each, a total of \$69,794.04. It proposes, and asks permission, to issue a new note to Fruehauf Trailer Company in the aggregate amount of \$114,364.04 to pay outstanding indebtedness and to finance the cost of the new equipment.

The amount to be borrowed will be represented by a note dated as of October 15, 1950, payable in 48 monthly installments with interest at the rate of 6% per annum, the first installment to be due on or about November 15, 1950. The payment of the note will be secured by a mortgage of chattels covering equipment heretofore acquired and that to be acquired from Fruehauf Trailer Company.

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 herein authorized is reasonably required by applicant 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. Southern California Freight Lines, after the effective date hereof and on or before February 28, 1951, may issue a note in the principal amount of not exceeding \$114,364.04 for the purposes set forth in this application, and may execute a mortgage of chattels to secure the payment of the same, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit C and Exhibit D, respectively.
2. Applicant 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 fee prescribed by Section 57 of the Public Utilities Act, which fee is one hundred fifteen (\$115.00) dollars.

Dated at San Francisco, California, this 17<sup>th</sup> day of October, 1950.

R. Z. [Signature]  
Justin F. [Signature]  
[Signature]  
[Signature]  
[Signature]  
Commissioners

