

Decision No. 45327

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
O. J. BOEDEKER and A. T. RAWLINS,	:	
co-partners doing business as SACRAMENTO)	Application
FREIGHT LINES, for authority to execute	:	No. 32059
a chattel mortgage.)	
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O P I N I O N

This is an application for an order authorizing O. J. Boedeker and A. T. Rawlins to execute a mortgage of chattels providing for the payment of \$37,196, for the purpose of financing in part the cost of automotive equipment.

O. J. Boedeker and A. T. Rawlins, copartners doing business as Sacramento Freight Lines, are engaged as highway common carriers of property generally between Sacramento, Marysville, Portola and other points in the northern part of the state, and between Sacramento and Los Angeles. They have reported their operating revenues at \$1,161,254 during 1949 and at \$1,171,418 during the period from January 1 to November 30, 1950, with a net loss of \$2,599 during 1949 and of \$4,277 during the eleven-month period of 1950, after making deductions, however, of approximately \$50,000 in each period for depreciation, and of partnership salaries at the rate of \$60,000 per annum.

The application shows that applicants' operating equipment includes 43 trucks and tractors and 5 service automobiles, that their reported investment in tangible properties as of November 30, 1950, amounted to \$524,883.67, and that their statement of assets and liabilities as of that date is as follows:

Assets

Current assets -		
Cash and deposits	\$ 14,948.39	
Accounts receivable	59,068.83	
Inventories	<u>40,167.29</u>	
Total current assets		\$114,184.51
Tangible property -		
Cost	524,883.67	
Less-depreciation reserve	<u>218,900.46</u>	
Net tangible property		305,983.21
Intangible property		9,697.12
Deferred debits		<u>11,409.67</u>
	Total	<u>\$441,274.51</u>

Liabilities

Current liabilities -		
Notes and accounts payable	\$105,327.24	
C. O. D.'s	581.93	
Accrued taxes	8,132.24	
Other items	<u>4,629.43</u>	
Total current liabilities		\$118,670.84
Long-term debt		116,323.12
Reserves		1,841.26
Proprietorship capital		<u>204,439.29</u>
	Total	<u>\$441,274.51</u>

Applicants report that they have need for additional equipment in order to meet demands for service and that accordingly they have made arrangements to purchase three 1950 Sterling tractors for the sum of \$39,000. They propose to make a down payment of \$5,000 from their own funds and to borrow the remaining \$34,000 from The Anglo California National Bank of San Francisco. It appears that their arrangements with the bank call for the payment of \$3,196 in interest on said sum so to be borrowed for its use over a total period of 34 months, and the execution by applicants of a mortgage of chattels in the aggregate amount of \$37,196 in evidence of the principal amount plus the interest. The total amount will be repayable in 34 equal, successive monthly installments of \$1,094.

A review of the application indicates that applicants will have need for the sum to be borrowed from said bank to finance

in part the purchase price of the new equipment.

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 execution of the mortgage of chattels herein authorized is reasonably required by applicants for the purpose specified herein; and that such purpose, except as otherwise authorized, is 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, after the effective date hereof and on or before September 30, 1951, may execute a mortgage of chattels in, or substantially in, the same form as that filed in this proceeding providing for the payment of the sum of \$37,196 for the purpose of financing in part the cost of the new equipment referred to in this application.
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, which fee is thirty-eight (\$38.00) dollars.

Dated at San Francisco, California, this 6th day of
February, 1951.

A. Z. [unclear]
Justice F. C. [unclear]
Harold P. [unclear]
[unclear]
Peter E. Mitchell
 Commissioners

