

Decision No. 4554S**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ASSOCIATED FREIGHT LINES, a corpora-
tion, for an order authorizing execu-
tion of evidences of indebtedness.

Application
No. 32234

O P I N I O N

This is an application for an order authorizing Associated Freight Lines to execute promissory notes and chattel mortgages, and a conditional sale contract, for the purpose of financing, in part, the cost of equipment.

Applicant is a highway common carrier of property operating generally between San Francisco and Oakland and San Jose, Oxnard and Los Angeles. It now operates five Peterbilt diesel tractors, ten Fruehauf vans and four Fruehauf dollies. In the present application it reports that it has found it necessary to increase its fleet of motor vehicle equipment and that it proposes to purchase the following equipment at a total cost of \$51,096.76.

| <u>Item</u> | <u>Cost</u> |
|--|--------------------|
| One Peterbilt two-axle tractor, Model 280 | \$12,354.85 |
| One Diamond T truck with van body | 3,800.00 |
| One GMC Truck Model 354 | 4,000.00 |
| Two Fruehauf converter dollies | 3,610.78 |
| Six Fruehauf van semi-trailers | 23,181.66 |
| One International Harvester two-axle tractor | 4,149.47 |
| Total | <u>\$51,096.76</u> |

Applicant proposes to finance the purchase of the Peterbilt tractor with a down payment of \$3,054.85, the balance of \$9,300 to be borrowed from Crocker First National Bank of San Francisco through the execution of a promissory note and chattel mortgage repayable in thirty-six equal monthly installments with interest at the rate of 5% per annum on deferred balances. The Diamond T truck will require

a down payment of \$800 with the \$3,000 balance being financed through the execution of a promissory note and chattel mortgage to Crocker First National Bank of San Francisco repayable in twenty-four equal monthly installments with interest at the rate of 5% per annum on deferred balances. The GMC truck will require a down payment of \$1,000 with the \$3,000 balance being financed through the execution of a promissory note and chattel mortgage to Crocker First National Bank of San Francisco repayable in twenty-four equal monthly installments with interest at the rate of 5% per annum on deferred balances. The two Fruehauf dollies and six van semi-trailers, which will be purchased at an aggregate cost of \$26,792.44, will be financed through a down payment of \$5,358.49 and the execution of a conditional sale contract providing for the payment of the remaining \$21,433.95 in equal monthly payments over a five year period with interest on deferred balances at the rate of 5% per annum. The International Harvester tractor will be financed through a down payment of \$949.47, the balance of \$3,200 being covered by a promissory note and chattel mortgage with Crocker First National Bank of San Francisco repayable in thirty-six equal monthly installments with interest at the rate of 5% per annum on deferred balances.

A copy of the form of the proposed promissory notes and chattel mortgages has been filed in this proceeding as Exhibit B and a copy of the form of the conditional sale contract as Exhibit C.

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 promissory notes and chattel mortgages and the

conditional sale contract 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. Associated Freight Lines, after the effective date hereof and on or before September 30, 1951, may execute promissory notes and chattel mortgages in the aggregate principal amount of \$18,500 and a conditional sale contract providing for deferred payments of \$21,433.95 for the purpose of financing, in part, the cost of new equipment. The promissory notes and chattel mortgages and the conditional sale contract shall be in, or substantially in, the same form as those filed in this proceeding as Exhibits B and C, respectively.

2. Within thirty days after the execution of said promissory notes and chattel mortgages and conditional sale contract, applicant shall file a copy of each with the Commission.

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 \$40.00.

Dated at San Francisco, California, this 10th day of April 1951.

[Handwritten Signature]
Harold P. Hule
[Handwritten Signature]
[Handwritten Signature]

Commissioner
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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APR 11 1951
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By [Handwritten Signature]