

**ORIGINAL**

Decision No. 47132

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	)	Application
SACRAMENTO FREIGHT LINES, for authority :	:	No. 33352
to execute a mortgage of chattels and	)	
promissory note.	:	
-----	)	

OPINION AND ORDER

This is an application for an order authorizing O. J. Boedeker and A. T. Rawlins to execute a mortgage of chattels and to issue a note in the total amount of \$273,132 for the purpose of paying outstanding indebtedness and of providing working capital.

Applicants are copartners doing business as Sacramento Freight Lines and are engaged as highway common carriers of property generally between Los Angeles and San Francisco and between Sacramento, Lincoln and Portola, with service between certain intermediate points. They report that they have need for \$250,000 and that they have made arrangements to issue a note to Bank of America National Trust and Savings Association covering that amount plus \$23,132 representing prepaid interest accumulated at the rate of 6% per annum. The note thus will be in the amount of \$273,132 and will be payable in 36 equal successive monthly installments of \$7,587. It will be secured by a mortgage of chattels covering automotive equipment.

Applicants report that they have outstanding notes in the aggregate amount of \$90,837.22 and accounts payable to sub-haulers and others in the amount of \$102,535.72. They desire to

utilize a portion of the proceeds to be received from the issue of the new note to pay outstanding notes and accounts payable and to use the balance to provide additional working capital. They report that with funds available from the issue of the note they will be in a position to discount their monthly trade accounts and thus effect considerable savings in costs. In addition they will decrease their monthly payments on their outstanding obligations by reason of consolidating the various items of indebtedness into the one note they now propose to issue.

The Commission has considered this matter and is 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 by the issue of the note herein authorized is reasonably required by applicants for the purposes specified herein; and that such purposes, except as otherwise indicated, 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, after the effective date hereof and on or before September 30, 1952, may execute a mortgage of chattels and issue a note in the amount of \$273,132, which mortgage of chattels and note shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively. Applicants shall use the proceeds to be received from the issue of said note for the purposes set forth in this application.

2. Applicants shall file with the Commission monthly 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 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 13<sup>th</sup> day of May, 1952.

President

Commissioners

