

ORIGINAL

Decision No. 47836

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
FREIGHT TRANSPORT COMPANY, a corpora-	:	
tion, for an order authorizing the)	Application
issuance of a promissory note and a	:	No. 33782
deed of trust securing the same.)	
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OPINION AND ORDER

This is an application for an order authorizing Freight Transport Company to issue a note in the principal amount of \$25,000 to finance in part the cost of property, and to execute a deed of trust.

The records of the Commission show that applicant is engaged in business in California as a radial, contract, city and household goods carrier, and in the public utility warehouse business in the City of Los Angeles. It reports that its present warehouse and terminal facilities are located at 2132 E. 7th Place, that it has need for additional space for storage of its equipment and motor vehicles used in its public warehouse as well as in its transportation business, and that it has made arrangements to purchase a parcel of land located directly south of its present facilities which, with minor improvements, will be suitable for its purposes.

The property presently is owned by Layne & Bowler Corporation. The agreed purchase price is the sum of \$35,000, of which \$10,000 will be payable in cash and \$25,000 will be payable in installments of \$3,000 or more annually, with interest at the rate of 5% per annum. The deferred payments will be represented by a promissory note in the principal amount of \$25,000, secured by a deed of trust.

In Exhibit D applicant reports its operating revenues for the first six months of 1952 in the amount of \$274,972 and its net income, after making provision for income taxes, at \$27,010. A statement of applicant's assets, liabilities and net worth as of June 30, 1952, is as follows:

Assets

Current assets -		
Cash and deposits	\$ 63,270.92	
Notes and accounts receivable	42,228.39	
Prepayments	<u>10,437.41</u>	
Total current assets		\$115,936.72
Property -		
Carrier operating property	376,113.67	
Less-depreciation reserve	<u>137,345.00</u>	
Balance	238,768.67	
Non-carrier property	<u>25,000.00</u>	
Total property		263,768.67
Deferred debits		<u>500.00</u>
	Total	<u>\$380,205.39</u>

Liabilities and Net Worth

Current liabilities -		
Accounts payable	\$ 10,163.98	
Accrued liabilities	40,657.82	
Other current liabilities	<u>752.80</u>	
Total current liabilities		\$ 51,574.60
Long-term debt		<u>52,000.00</u>
Total liabilities		103,574.60
Net worth -		
Capital stock	8,000.00	
Surplus	<u>268,630.79</u>	
Total net worth		<u>276,630.79</u>
	Total	<u>\$380,205.39</u>

Applicant asserts that the proposed purchase price is not in excess of the current market value and that the cash payment it proposes to make will not adversely affect its current position. The deferred payments are said to be less than the rental payments applicant would be required to pay if it were to lease similar property.

The Commission has considered this matter and is of the opinion that a public hearing 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 applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

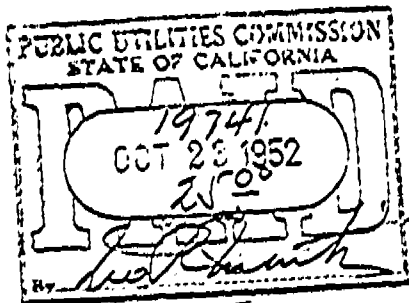
IT IS HEREBY ORDERED as follows:

1. Freight Transport Company, on and after the effective date hereof and on or before March 31, 1953, may issue its promissory note in the principal amount of not exceeding \$25,000 for the purpose specified herein, and may execute a deed of trust to secure the payment of the same, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively.

2. Applicant 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 applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 21st day of October, 1952.



Handwritten signatures and titles: A. Z. [unclear] President; Justice J. [unclear]; Harold [unclear]; [unclear] [unclear]; [unclear] [unclear] Commissioners.