

**ORIGINAL**

Decision No. 48046

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 INTERLINES MOTOR EXPRESS, )  
 a corporation, )  
 for an Order Authorizing the )  
 Execution of a Promissory Note )  
 and Chattel Mortgage. )  
 ----- )

Application  
 No. 33932

O P I N I O N

Interlines Motor Express, applicant herein, is a California corporation engaged as a highway common carrier of property generally between Sacramento and Redding and other points, and between San Francisco and East Bay points, on the one hand, and Sacramento and certain intermediate points, on the other hand. In this application it reports that it has need for funds to pay outstanding indebtedness and to finance the cost of additional equipment and that it proposes, and here seeks authorization, to issue a promissory note to Bank of America National Trust and Savings Association in the amount of \$38,275.20 and to execute a mortgage of chattels to secure its payment.

The proposed note will include interest charges computed at 6% per annum and will be payable in 36 equal monthly installments of \$1,063.20 each, commencing January 14, 1953. The proceeds will be disbursed for the following purposes:

To pay for four new tractors	\$13,236.57
To pay outstanding 6% installment notes	16,797.93
To pay a 6% demand note	5,000.00
Interest charges included in note	<u>3,240.70</u>
Total	<u>\$38,275.20</u>

Applicant acquired its business and properties from M. A. Gilardy pursuant to authorization granted by the Commission by Decision No. 46851, dated March 17, 1952. Its revenues for the seven-month period from April 1 to October 31, 1952, amounted to

\$349,538.34 and its net income to \$5,188.49, after deducting depreciation charges of \$24,618.80. Its financial position as of October 31, 1952, is indicated in the following balance sheet:

Assets

Current assets -		
Cash	\$ 9,874.66	
Accounts receivable	<u>22,983.75</u>	
Total current assets		\$ 32,858.41
Tangible property-net of depreciation		153,648.47
Intangible property		2,000.00
Deferred debits		<u>10,163.77</u>
	Total	<u>\$198,670.65</u>

Liabilities and Net Worth

Current liabilities -		
Notes payable	\$35,500.00	
Accounts payable	28,905.80	
Taxes payable	<u>6,064.03</u>	
Total current liabilities		\$ 70,469.83
Equipment obligations		46,782.33
Net worth -		
Capital stock	76,230.00	
Surplus	<u>5,188.49</u>	
Total net worth		<u>81,418.49</u>
	Total	<u>\$198,670.65</u>

A review of the application indicates that applicant will have need for the proceeds from the proposed note issue to pay indebtedness now due, to enable it to meet its capital requirements and to improve its cash position. Accordingly, an order will be entered granting its request.

ORDER

The Commission having considered the above entitled matter, and being 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 purposes specified herein; and that such purposes, except for the

payment of interest, are not, in whole or in part, reasonably charge-  
able to operating expenses or to income; therefore,

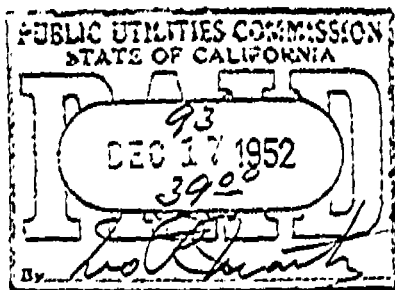
IT IS HEREBY ORDERED as follows:

1. Interlines Motor Express, on and after the effective date hereof and on or before March 31, 1953, may issue its promissory note in the amount of \$38,275.20 and may execute a mortgage of chattels for the purposes indicated in this application, said note and mortgage of chattels to be in, or substantially in, the same form as those filed in this proceeding as Exhibit 1 and Exhibit 2, respectively.

2. Within thirty (30) days after the issue of the note herein authorized, applicant shall file with the Commission a copy of the same and of the mortgage of chattels, as actually executed, and a statement showing the purposes for which the issue was made.

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 thirty-nine (\$39.00) dollars.

Dated at Los Angeles, California, this 16<sup>th</sup> day of December, 1952.



A. Z. [Signature]  
President  
Justice F. Casper  
Arnold A. Hule  
[Signature]  
[Signature]  
Commissioners