

Decision No. 48174

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
doing business as SACRAMENTO
FREIGHT LINES, a copartnership,
to sell real property.

Application
No. 33979

Edward M. Berol, for applicants.

O P I N I O N

O. J. Boedeker and A. T. Rawlins, applicants in this proceeding, are engaged as highway common carriers of property in California, their operations being conducted under the name of Sacramento Freight Lines. In this application they seek authorization to sell certain real property and improvements located in Sacramento for the sum of \$63,000.00 in cash.

The properties to be sold are used by applicants for terminal purposes and consist of a parcel of land approximately 148 feet wide and 320 feet long, together with offices, dock space, repair shop and yard facilities. They were acquired by applicants in 1946 and stand on their books as of November 30, 1952 in the net amount of \$43,522.69.

In support of their request, applicants report that during the first eleven months of 1952 they suffered a net loss from operations of \$63,528.64. They attribute the loss to increases in federal fuel taxes and maintenance expenses and to the fact that increases in rates to offset increases in costs did not become effective until the middle of the year. They assert that the loss from operations in turn caused an increase in their current liabilities and placed them in a position of not having sufficient funds to meet their obligations, some of which are now past due. In

Exhibit 1, applicants report their financial condition as of November 30, 1952 as follows:

<u>Assets</u>		
Current assets-		
Cash and deposits	\$ 37,772.16	
Notes and accounts receivable	75,473.28	
Inventories	<u>42,120.76</u>	
Total current assets		\$155,366.20
Fixed assets-		
Cost	648,509.94	
Less- depreciation reserve	<u>352,171.33</u>	
Net fixed assets		296,338.61
Other assets		116,129.75
Deferred charges		<u>29,480.28</u>
Total Assets		<u>\$597,314.84</u>
<u>Liabilities & Net Worth</u>		
Current liabilities-		
Accounts payable - general	\$ 69,540.03	
Accounts payable - sub haulers	40,271.53	
Other current liabilities	33,309.30	
Accrued liabilities	<u>35,627.90</u>	
Total current liabilities		178,748.76
Contracts payable		285,314.94
Net worth		<u>133,251.14</u>
Total Liabilities		<u>\$597,314.84</u>

In addition to the current liabilities as shown on the preceding balance sheet, the testimony shows that applicants are required to pay approximately \$9,500 a month on equipment contracts and that they are faced with the payment on or before February 4, 1953, of approximately \$20,000 for state automobile license fees.

The record indicates that applicants have endeavored to obtain funds to improve their financial position so as to enable them to meet current liabilities now past due and to make provisions for license fees about to become due. The testimony shows that they have been unsuccessful in borrowing sufficient funds from banks or in refinancing presently outstanding equipment obligations and that they have concluded they have no recourse other than to sell the properties referred to in this proceeding. Upon the conclusion of the transaction, applicants propose to lease back the premises

under an arrangement running for a period of five years with an option to renew for an additional five years at an agreed monthly rental of \$670.00. They estimate that with the increased rates now in effect and considering the savings in principal payments on a lien now outstanding against the premises in the amount of approximately \$10,000, and the elimination of city and county taxes, insurance and maintenance expenses incident to ownership of the properties, their revenues will be sufficient to enable them to meet their obligations under the lease arrangement.

Upon review of the record in this proceeding we are of the opinion that the proposed transfer will not be adverse to the public interest and that we are warranted in making an order granting applicants' request.

O R D E R

A public hearing having been held on the above entitled application and the Commission having considered the matter and being of the opinion that applicants' request should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. O. J. Boedeker and A. T. Rawlins, doing business as Sacramento Freight Lines, on or after the date hereof, and on or before March 31, 1953 may sell the properties referred to in this proceeding, such sale to be made in accordance with the terms outlined in the application.
2. Within thirty days after the sale of the properties under the authorization herein granted, applicants shall file with the Commission a statement indicating the date on which the transaction was completed and shall file a copy of each journal entry

used to record on their books the sale of such properties.

3. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

4. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 19th day of January, 1953.

A. E. [Signature]
 President

Justin J. [Signature]

[Signature]

[Signature]

[Signature]
 Commissioners