

**ORIGINAL**

Decision No. 49750

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
WILLIAM SIMONOFF AND SAM SIMONOFF	:	
doing business as	)	
SWIFT TRANSPORTATION COMPANY	:	Application
for an order authorizing the issue of	)	No. 35150
evidence of indebtedness as specifically	:	
set forth herein.	)	
-----	:	

OPINION AND ORDER

William Simonoff and Sam Simonoff, applicants herein, are engaged in operating the Swift Transportation Company as highway common carriers of property between Los Angeles and steamship docks and wharves at Los Angeles harbor. In this application they seek authorization to issue a promissory note in the principal amount of \$20,000 and to execute a deed of trust for the purpose of paying in part for certain real property.

On March 11, 1952, applicants received from the Commission the certificate of public convenience and necessity under which they now conduct their operations. They report that the continued expansion of their service has resulted in their present leased quarters <sup>or?</sup> becoming <sup>in</sup> inadequate and that they have made arrangements to acquire a parcel of land, consisting of approximately 65,100 square feet located at 4819 Cecelia Street in the City of Bell, which they intend to adapt and improve for terminal purposes.

The purchase price of the real property is \$30,000. Applicants propose to pay \$10,000 in cash and to issue a note for the balance of \$20,000, said note to be payable in monthly installments

of \$200, or more, with interest at the rate of 6% per annum, except that six months after the close of the escrow applicants will pay an additional \$5,000, reducing the unpaid balance accordingly.

Applicants have reported their operating revenues for the period from April 15 to December 31, 1952, at \$54,878.81, with net income of \$10,812.58, and for 1953, operating revenues at \$111,924.43, with net operating revenue of \$10,806.14, after making depreciation charges of about \$10,000. In Exhibit A, they have set forth their balance sheet as of the close of 1953 as follows:

<u>Assets</u>	
Current assets	\$10,663.17
Tangible property, less depreciation	57,559.13
Intangible property	<u>9,500.00</u>
Total	<u>\$77,722.30</u>
<u>Liabilities and Capital</u>	
Current liabilities	\$ 5,175.62
Equipment obligations	<u>5,498.12</u>
Total liabilities	10,673.74
Partnership capital account	<u>67,048.56</u>
Total	<u>\$77,722.30</u>

From a review of the application it clearly appears that applicants will have need for funds from external sources if they are to proceed with their property acquisition and improvements and that their assets and earnings should be ample to service the proposed note. We are of the opinion that a public hearing is not required in this matter, 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 purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. William Simonoff and Sam Simonoff, on and after the effective date hereof and on or before April 30, 1954, may issue a note in the principal amount of not exceeding \$20,000, for the purpose of financing in part the cost of real property, and may execute a deed of trust. The note and the deed of trust shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicants shall file with the Commission a report, or 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 minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 2<sup>nd</sup> day of March, 1954.

A. J. [Signature]  
President

Justina D. [Signature]  
[Signature]

[Signature]  
[Signature]  
Commissioners

