

Decision No. 60211

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SWIFT TRANSPORTATION COMPANY,
a California corporation, for
authority to sell real property
under Section 851 of the Public
Utilities Code of the State of
California

Application No. 42124
and
First Amendment

O P I N I O N

In this application, filed on April 7, 1960, and in an amendment thereto, filed on May 16, 1960, the Commission is asked to issue an order authorizing Swift Transportation Company, a corporation, to sell and lease back certain real property.

Swift Transportation Company is a highway common carrier of property operating between Los Angeles and the harbor. In the conduct of its business, it has acquired and has occupied certain real property located at 4819 Cecilia Avenue, Bell, California, which it now proposes to sell at its book value. to its shareholders, William Simonoff and Sam Simonoff, for the sum of \$97,250 under arrangements calling for a down payment of \$15,000 and for monthly installments thereafter of \$913.14, including interest at the rate of 6 per cent per annum. Upon consummation of the sale, it proposes to lease back the premises at a monthly rental of \$972.50 pursuant to an oral lease for one year subject to automatic renewal from year to year thereafter. Applicant corporation reports that its expenses with respect to the

property to be sold and leased will be no different from its present expenses which are incurred in the use of said property, considering ad valorem taxes, maintenance and insurance.

In presenting this matter to the Commission, applicant corporation has filed its financial statements which show its revenues during 1959 at \$679,407, and its net profit at \$39,620, and which indicate its position as of December 31, 1959, as follows:

Assets

Current assets -		
Cash and deposits	\$11,328	
Notes and accounts receivable	40,824	
Prepayments	<u>10,073</u>	
Total current assets		\$ 62,225
Operative property, less reserve		207,584
Intangible property		12,800
Deferred debits		<u>350</u>
Total		<u>\$282,959</u>

Liabilities and Net Worth

Current liabilities -		
Accounts payable	\$35,670	
Accrued taxes	26,120	
Equip. obl. due one year	<u>22,573</u>	
Total current liabilities		\$ 84,363
Deferred credits		332
Common stock and surplus		<u>198,264</u>
Total		<u>\$282,959</u>

It appears that the proposed transactions will not result in any change in the operations, that the same facilities will be available to applicant corporation as are in use at present, and that the agreed terms should not impose such a drain on its resources as to impair its ability to render service to the public.

Applicant corporation asserts that under the terms of the transactions, it will be provided with additional working cash and in the future it will be able to charge off the entire monthly installment payments as deductible items.

Upon reviewing this matter we find and conclude that the sale and lease back as here proposed, and subject to the condition set forth in the order herein, will not be adverse to the public interest. We will enter our order granting the application.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred nor as indicative of amounts to be included in operating expenses for the purpose of fixing rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided,

IT IS HEREBY ORDERED as follows:

1. Swift Transportation Company, on or after the effective date hereof and on or before December 31, 1960, may sell to William Simonoff and Sam Simonoff, pursuant to the terms of this application, the property located at 4819 Cecilia Avenue,

Bell, Los Angeles County, California, and described as follows:

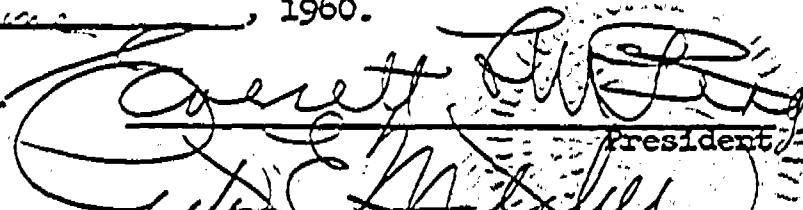
All of Lots 211 and 212, as per Map recorded
in Book 13, page 198 of Maps in the Office of
the County Recorder of said County.

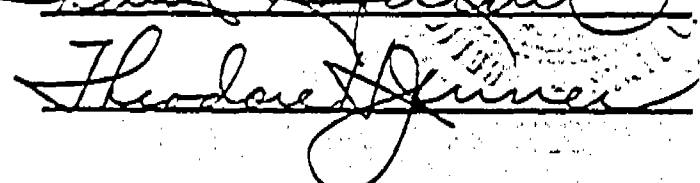
2. Swift Transportation Company and William Simonoff
and Sam Simonoff may enter into the lease agreement referred to
in the first amendment to this application.

3. The authority herein granted is subject to the con-
dition that the property involved is not relieved from its devotion
to the public use and that its status as public utility operative
property shall continue as though no transfer had taken place,
anything in any lease or other contract or agreement to the
contrary notwithstanding.

4. The authority herein granted will become effective
20 days after the date hereof.

Dated at San Francisco, California,
this 6th day of June, 1960.



President


Commissioners