

ORIGINAL

Decision No. 62611

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:
LADS FURNITURE FREIGHT, INC., a
corporation, for authority to issue
a promissory note, chattel mortgage
and deed of trust pursuant to
Sections 816-830 and 851-853 of the
California Public Utilities Code.

Application No. 43751
Filed September 13, 1961

O P I N I O N

This is an application for an order of the Commission authorizing Lads Furniture Freight, Inc., applicant herein, jointly and severally with Shelton Furniture Freight, Inc., (1) to issue a \$50,000 promissory note under such terms and conditions as may be prescribed by the Small Business Administration, and (2) to execute, insofar as applicant is concerned, a revised mortgage of chattels on its vehicle equipment, and a second deed of trust on its terminal property.

Lads Furniture Freight, Inc., is a California corporation operating as a public utility highway common carrier transporting uncrated new household, office and store furniture, fixtures and appliances between various points in southern California, and also between the Los Angeles Basin Area and the Cities of Santa Rosa and Sacramento, pursuant to a certificate of public convenience and necessity granted by this Commission.

Shelton Furniture Freight, Inc., does not operate as a public utility under a certificate of public convenience and necessity granted by this Commission, but is a California corporation under common control through common stock ownership with applicant, to which it leases motor vehicle equipment under long-term rental agreements, and with which it is the owner, jointly, of a motor carrier terminal located in the City of Vernon.

Under authority granted by Decision No. 59657, dated February 16, 1960, in Application No. 41873, applicant, jointly and severally with Shelton Furniture Freight, Inc., issued a \$200,000 note in favor of Small Business Administration, and executed a deed of trust and a mortgage of chattels, for the primary purpose of obtaining funds to finance the cost of their terminal facility located at 3540 East 26th Street in the City of Vernon. It now appears that applicant and Shelton Furniture Freight, Inc., have made a further joint application to the Small Business Administration for an additional loan in the sum of \$50,000, to be represented by a joint promissory note, or notes, payment of which will be secured by a revised mortgage, or mortgages, of chattels on all of their vehicle equipment, and by a second deed of trust on the terminal property. They propose to pay the additional \$50,000 loan in monthly installments of approximately \$525, which will include interest at the rate of 4 per cent per annum on unpaid principal, each paying one-half of each installment, and to expend approximately \$47,000 thereof for expanding their terminal facilities; and to use the balance of approximately \$3,000 for additional working capital.

From a review of the verified application, including the financial statements attached thereto, we are of the opinion that applicant's operations should be sufficient to support and to service its share of the proposed borrowing without interfering with its public utility duties. We find and conclude that the proposed indebtedness is for proper purposes; that the money, property or labor to be procured or paid for by the issue of the note, or notes, herein authorized is reasonably required for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

Upon the basis of these findings we will enter an appropriate order.

O R D E R

The Commission having considered this matter and being of the opinion that a public hearing is not necessary and that the application should be granted, therefore,

IT IS ORDERED that -

1. Lads Furniture Freight, Inc., on or after the effective date hereof and on or before March 31, 1962, for the purposes specified in this application, jointly and severally with Shelton Furniture Freight, Inc., may issue a note, or notes, bearing interest at the rate of not to exceed 4 per cent per annum on unpaid principal, in the aggregate principal amount of not to exceed \$50,000, and may execute a mortgage, or mortgages,

of chattels, a second deed of trust and related loan documents, all under such terms and conditions as may be prescribed by the Small Business Administration.

2. Within 30 days after issuing the note, or notes, herein authorized, Lads Furniture Freight, Inc., shall file with the Commission a copy thereof, together with a copy of each of the related loan documents, as actually executed.

3. Lads Furniture Freight, Inc., 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.

4. This order shall become effective when Lads Furniture Freight, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California, this 3rd day of OCTOBER, 1961.

President
E. J. Fox

Henry G. Grover

Frederick B. Hallock

Commissioners
Everett C. McKeage
Peter E. Mitchell
Commissioner *Peter E. Mitchell*, being necessarily absent, did not participate in the disposition of this proceeding.

