

ORIGINAL

Decision No. 70391

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 WEST COAST FAST FREIGHT for)
 authority to issue promissory notes to)
 DENVER CHICAGO TRUCKING COMPANY, INC.)
 and for authority to enter a security)
 agreement with Denver Chicago Trucking)
 Company, Inc. and for DENVER CHICAGO)
 TRUCKING COMPANY, INC. to lend money to)
 WEST COAST FAST FREIGHT in exchange)
 for promissory notes secured by a)
 Security Agreement.)

Application No. 48208
Filed January 27, 1966

O P I N I O N

This is an application for an order of the Commission authorizing West Coast Fast Freight to execute a Security Agreement and to issue demand promissory notes in the aggregate principal amount of \$500,000.

West Coast Fast Freight is a California corporation formerly known as Merrifield Trucking Company. It is engaged in business as a highway common carrier transporting general and special commodities between various points in the central and southern portions of California.

Pursuant to authority granted by the Interstate Commerce Commission, Denver Chicago Trucking Company, Inc., a Nebraska corporation, has assumed temporary control of West Coast Fast Freight through management. An application involving the proposed purchase of the capital stock of West Coast Fast Freight by Denver Chicago Trucking Company, Inc. is pending before the Interstate Commerce Commission.

The application in this proceeding shows that West Coast Fast Freight has been in a distressed financial position over a long period of time and that Denver Chicago Trucking Company, Inc. has advanced funds to enable it to continue operating and is willing to make advances up to a total, both past and future, which will aggregate \$500,000.

West Coast Fast Freight proposes to issue demand promissory notes in the total amount of \$500,000 in favor of Denver Chicago Trucking Company, Inc. The notes will bear interest at a rate of 5½% per annum, and will be secured by a Security Agreement covering all operating authority, both intrastate and interstate, of West Coast Fast Freight. One note in the principal amount of \$247,923.03 will be applied to advances already made, and additional notes will be issued to obtain necessary funds for the continuance and maintenance of service. It appears that the demand notes will be issued, in part, for refinancing indebtedness extending over a period of more than one year.

The Commission has considered this matter and finds that: (1) the proposed note issues are for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed Security Agreement will not

be adverse to the public interest. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

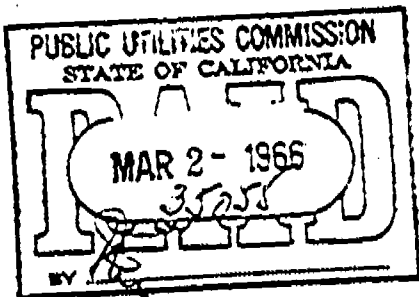
IT IS ORDERED that:

1. West Coast Fast Freight may execute and deliver a Security Agreement and may issue notes in the aggregate principal amount of not to exceed \$500,000 for the purposes specified in the application. Said documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibits Nos. 3 and 5.

2. West Coast Fast Freight shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when West Coast Fast Freight has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$500.

Dated at San Francisco, California, this 1st day of MARCH, 1966.



Frederick B. Holcomb President
George L. Thayer
Commissioner

Commissioners
Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.