

**ORIGINAL**Decision 93883 DEC 15 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 KELLER'S FREIGHT LINE )  
 for authority to encumber and sell )  
 a San Francisco terminal. )

Application 61094  
 (Filed December 1, 1981)

## O P I N I O N

Keller's Freight Line, a corporation, seeks authority under Public Utilities (PU) Code §§ 851 through 854 to temporarily encumber and then sell its terminal facility located at 2270 McKinnon Avenue, San Francisco.

Applicant operates as a highway common carrier and as a highway contract carrier.

In support of the authority sought applicant alleges that the funds to be obtained by applicant upon sale of the San Francisco terminal are to be used by applicant to pay off outstanding loans and financing (approved by this Commission in Decision (D.) 92569) and to settle lawsuits. Applicant asserts that it is required to satisfy a civil court judgment in excess of \$100,000, and has issued a short-term note in the amount of \$85,000 which shortly will become due. This court-imposed indebtedness has placed a financial burden on applicant. The application sets forth in detail the circumstances which led applicant into its present financial crisis.

Applicant asserts that it cannot meet its current financial obligations and service its debt without sale of its terminal. Applicant states that it has received a very favorable offer from a financially capable buyer (Tsutomu Ben Ishisaki) for the purchase of the terminal. Applicant is ready and anxious to close the sale on or before December 15, 1981, because failure to close the sale by that date may cause withdrawal of the offer.

The application contains the following:

- Attachment A - Copy of a letter dated November 24, 1981 removing a contingency in a Purchase and Sales Agreement.
- Attachment B - Copy of the Purchase and Sales Agreement referred to in Attachment A.
- Attachment C - Copy of a Stipulation for Entry of Judgment required to settle a lawsuit.
- Attachment D - Copy of a Note to be issued as part of the settlement of a lawsuit.
- Attachment E - Copy of an Agreement to Lease a New Terminal.
- Attachment F - Applicant's Balance Sheet and Income Statement.

Applicant asserts that it must have Commission approval to temporarily encumber and then sell its San Francisco terminal property by December 15, 1981 or it may be forced into bankruptcy or out of business by its creditors. It also asserts that it could not file this application earlier than December 1, 1981.

Notice of the filing of this application appeared in the Commission's Daily Calendar of December 2, 1981. A copy was served on California Trucking Association. As this application requires immediate approval to avoid an unfavorable financial impact on applicant, it should be acted upon before the expiration of the protest period provided in the Commission's Rule of Practice. We expect no protests.

Findings of Fact

1. The proposed temporary encumbrance and sale of applicant's San Francisco terminal facility, which is useful in the performance of its duties to the public, is necessary to provide applicant with cash required to meet its financial obligations.

2. The proposed encumbrance and sale of applicant's terminal facilities will not be adverse to the public interest.

3. A public hearing is not necessary.

Conclusions of Law

1. Applicant should be authorized under PU Code §§ 851 - 854 to temporarily encumber and then sell its terminal.

2. This order should become effective today in order to permit applicant to immediately complete the financial transactions authorized. This matter constitutes an emergency situation necessitating action not noticed on the Commission's public agenda.

O R D E R

IT IS ORDERED that:

1. Keller's Freight Line, a corporation, is authorized to temporarily encumber and then to sell its terminal facility at 2270 McKinnon Avenue, San Francisco, in accordance with the terms and conditions set forth in Application 61094.

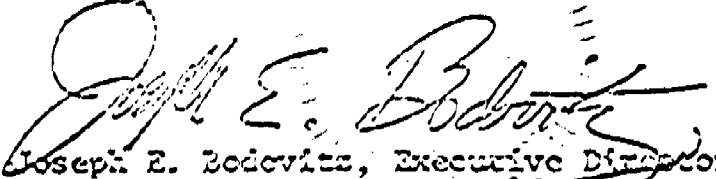
2. The authorization granted shall expire unless exercised within one year of the date of this order.

This order is effective today.

Dated DEC 15 1981, at San Francisco, California.

JOHN E. BRYSON  
*President*  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. GREW  
*Commissioners*

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Joseph E. Bodevitz, Executive Director