

Decision No. 14941.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 R. E. RASMUSSEN and J. C. SVANE )  
 for an order authorizing and ratify- ) Application No. 11053.  
 ing issue of promissory notes. )

ORIGINAL

Myron Harris, by R. J. Darter,  
 for applicants.

BY THE COMMISSION:

O P I N I O N

In this application R. E. Rasmussen and J. C. Svane, co-partners doing business under the firm name and style of Santa Fe Express and Drayage Company, ask the Railroad Commission to make an order ratifying, confirming and approving and/or authorizing the execution of two deeds of trust and the issue of \$82,280.00 of notes as follows:-

1. To Mercantile Trust Co. of California . . . . .	\$30,000.
2. To Geo. G. Katz, et al . . . . .	50,000.
3. To Geo. G. Katz, et al . . . . .	750.
4. To Geo. G. Katz, et al . . . . .	750.
5. To Autocar Sales and Service Company . . . . .	780.
Total.....	<u>\$82,280.</u>

Applicants are engaged in transporting freight between San Francisco and Oakland and in local draying in Oakland. It appears that during 1924 they purchased ten lots, located on Clay between 4th and 5th Streets, Oakland, and comprising a tract of land 100 feet by 200 feet in area, and caused to be erected a one-story reinforced concrete stable and garage to be used for both classes of business. It appears that the land was purchased at

a cost of \$58,000.00, including agents' commissions, and the building erected at a cost of \$25,000.00, and that to obtain the funds necessary, applicants issued the following notes:-

<u>Payee</u>	<u>Date of Issue</u>	<u>Date Due</u>	<u>Interest</u>	<u>Amount</u>
Mercantile Trust Co. of California	Aug. 1, 1924	Aug. 1, 1925	6%	\$30,000.
George H. Katz et al.	Aug. 1, 1924	Aug. 1, 1924	6	50,000.
George H. Katz et al.	Aug. 5, 1924	Aug. 5, 1925	6	750.
George H. Katz et al.	Aug. 5, 1924	Aug. 5, 1925	6	750.
George H. Katz et al.	Aug. 5, 1924	Feb. 5, 1926	6	750.
George H. Katz et al.	Aug. 5, 1924	Feb. 5, 1926	6	750.
Total .....				<u>\$83,000.</u>

The item of \$780.00 due Autocar Sales and Service Company is part of the amount due under a contract providing for the purchase by applicants for \$3,855.00 of one Autocar. Of the total amount \$300.00 was paid in cash, \$1,155.00 was allowed for a truck turned in, and the balance, \$2,400.00 was represented by eighteen notes dated November 29, 1924 and maturing serially on the 29th of each month from December, 1924, to May, 1926, with interest at six percent per annum. Seventeen of the notes are in the principal amount of \$135.00, and one is for \$105.00.

It appears that at the time applicants issued the notes they were unaware of the provisions of the Auto Stage and Truck Transportation Act, requiring the issue of the notes to be authorized by the Commission. Authority to issue the notes is now requested. In making the request it is reported that although the \$30,000.00 note is due August 1, 1925, one year after date, the applicants have a tacit agreement with the holder thereof to pay the amount at the rate of \$300.00 monthly. Of the four notes for \$750.00 each, it appears that only two are payable later than one year after date, and of the indebtedness of \$3,855.00 for the purchase of the truck, only \$780.00 is payable after such period.

The note for \$30,000.00 is secured by a first deed of trust on the land and building referred to herein, and the note for \$50,000.00 by a second deed of trust on the same properties. Copies of these deeds of trust are filed with the application as Exhibits "G" and "H" and appear to be in satisfactory form.

#### ORDER

R. E. Rasmussen and J. C. Svane having applied to the Railroad Commission for permission to issue notes, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for through such issue is reasonably required by applicants,

IT IS HEREBY ORDERED that R. E. Rasmussen and J. C. Svane be, and they are hereby, authorized to execute two deeds of trust substantially in the same form as those filed in this proceeding and marked Exhibits "G" and "H" and to issue their promissory notes in the aggregate amount of \$82,280.00 consisting of a \$30,000.00 six percent note to Mercantile Trust Company of California payable in monthly installments of \$300.00; a \$50,000.00 note to George G. Katz, Louis R. Katz, Gustave A. Katz, Lena S. Kalben, Freda Paula Katz, (also known as Fidelia Paula Katz, and now known as Fidelia P. Sherwood) payable on or before August 1, 1944 with interest at six percent per annum; two \$750.00 notes to George G. Katz, Louis R. Katz, Gustave A. Katz, Lena S. Kalben, Freda Paula Katz, (also known as Fidelia Paula Katz, and now known as Fidelia P. Sherwood), payable on or before February 5, 1926 with interest at six percent per annum; five notes for \$135.00 each to Autocar Sales and Service Company payable on the 29th day of the months of, and from, December, 1925, to April, 1926, inclusive; and a note for \$105.00 payable to Autocar Sales and Service Company on

May 29, 1925, with interest at six percent per annum.

The authority herein granted is subject to further conditions as follows:-

1. The authority herein granted to execute deeds of trust is for the purpose of this proceeding only and is granted only in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and the Auto Stage and Truck Transportation Act, and is not intended as an approval of said deeds of trust as to such other legal requirements to which said deeds of trust may be subject.
2. Applicants shall keep such record of the issue and delivery of the notes herein authorized as will enable them to file within 30 days after such issue and delivery a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.
3. The authority herein granted will become effective when applicants have paid the fee prescribed by Section 57 of the Public Utilities Act, and Section 6 of the Auto Stage and Truck Transportation Act, which fee is \$83.00.

DATED at San Francisco, California, this 15<sup>th</sup> day of May, 1925.

RAILROAD COMMISSION  
STATE OF CALIFORNIA  
FILE # 85-00  
MAY 29 1925  
By A. M. McKee

H. B. Brundage  
C. Seavey  
Ernest Shore  
Ernest Shore  
Commissioners.