

LEM

Decision No. 19917.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
H. K. HULS,)
for an order authorizing the issue)
of a note secured by a deed of trust)
and chattel mortgage.)

Application No. 14593

BY THE COMMISSION:

ORDER

ORIGINAL

H. K. Huls asks permission to issue a \$13,000.00 note and execute a deed of trust on his real property, and a chattel mortgage on his personal property to secure the payment of the note.

Applicant is engaged in the business of elevator storage of grain at Merced. He is the sole owner of a grain elevator operated under the name of the Merced Elevator Company. The property which he desires to mortgage consists of a brick building, a brick warehouse and a brick machine building, together with the machinery in the buildings, all situated at 15th and "I" Streets in the City of Merced and some property in Tulare County.

The original cost of the building is reported at \$110,000. and its present value at \$50,000.00.

Applicant reports that he has found it necessary to borrow \$13,000.00 to improve the elevator and to provide himself with additional working capital to operate the same. This money was obtained from the Fidelity Savings and Loan Association of Los Angeles, with the understanding that he would pay monthly on the principal, \$91.00, and pay interest on the remainder at the rate of 8.4 percent per annum. The money was borrowed on a note dated September 14,

1927. At the time the note was executed, applicant was not aware of the fact that permission to issue the note and to execute the deed of trust and chattel mortgages had first to be obtained from the Railroad Commission. Upon having his attention called to the fact that such permission was necessary, he filed the application now before the Commission. A copy of the deed of trust and of the chattel mortgage is on file. These instruments we find to be in satisfactory form.

The Commission has considered the request of applicant and is of the opinion that this is a matter in which a public hearing is not necessary and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required by applicant, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows;-

1. H. K. Huls may issue at par a note for \$13,000.00 payable in monthly installments of ninety-one (\$91.00); also interest at the rate of 8.4 percent per annum upon the principal unpaid on October first of each year and use the proceeds to pay part of the cost of his elevator properties and provide himself with working capital.

2. H. K. Huls may execute a deed of trust and a chattel mortgage substantially in the same form as the deed of trust and chattel mortgage filed in this proceeding, provided that the authority herein granted to execute such deed of trust and chattel mortgage is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said deed of trust and chattel mortgage as to such other legal requirements to which said deed of trust and chattel mortgage may be subject.

3. The authority herein granted to issue a note shall become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

DATED at San Francisco, California, this 22nd day of June, 1928.

Leon White

C. S. Sawyer

Thos. S. Koutlet

W. J. Carr

Commissioners.

