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ORIGINAL

Decision No. 20272

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
OYHARZABAL BROTHERS,)
a co-partnership, composed of)
Esteban Oyharzabal, Jr. and Peter)
Oyharzabal, for an order authoriz-)
ing the sale giving a note and)
mortgage therefor.)

Application No. 14940.

R. Y. Williams and Rutan and Mize,
by R. C. Mize, for applicants.

BY THE COMMISSION:

ORDER

In this application Peter Oyharzabal asks permission to sell and convey his interest in a certain public utility water plant owned by Oyharzabal Brothers, a co-partnership, to Esteban Oyharzabal, Jr., who further asks permission to issue a \$50,000.00 three year seven percent note and execute a mortgage to secure the payment of such note.

It appears that Oyharzabal Brothers have for some years past been engaged in farming operations in Orange County and that as an incident to such operations have been operating a small public utility water plant. They have agreed amongst themselves to dissolve the co-partnership and have the properties now owned by such co-partnership acquired by Esteban Oyharzabal, Jr. The properties which the co-partnership owns consist of farming lands,

certain personal property such as automobiles, cattle, hay, etc., a pumping plant, pipe lines, rights of way and appurtenances pertaining to the public utility water system. It appears that Esteban Oyharzabal, Jr. and Peter Oyharzabal, as individuals, own as tenants in common a walnut orchard near San Juan Capistrano about twenty-five acres in extent and approximately forty-seven acres of additional lands and other lots with several houses thereon which are rented as well as a mortgage in their favor of about \$15,000.00. The value of all of the properties is estimated at \$145,000.00.

Peter Oyharzabal has agreed to sell and convey his interest in the properties to Esteban Oyharzabal, Jr. for \$65,000.00 on condition that \$15,000.00 be paid forthwith and the balance of the purchase price, namely: \$50,000.00 be represented by a seven percent note payable on or before three years after date, such note to be secured by mortgage upon all of the utility and non-utility properties. The mortgage is to provide that upon the payment of \$20,000.00 of the principal the public utility property shall be released from the lien of the mortgage.

A copy of the proposed mortgage and note has been filed in this proceeding. We have examined the same and find it to be in satisfactory form. The Commission has considered the request of the applicants and is of the opinion that such request should be granted and that the money, property or labor to be procured or paid for by the issue of the \$50,000.00 note is reasonably required by Esteban Oyharzabal, Jr. and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income, therefore

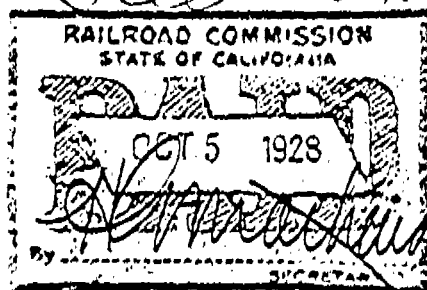
IT IS HEREBY ORDERED as follows:-

1. Peter Oyharzabal may sell and convey his interest in that certain public utility system owned by said

co-partnership of Oyharzabal Brothers to
Esteban Oyharzabal, Jr.

2. Esteban Oyharzabal, Jr. may acquire said properties and issue a \$50,000.00 three year seven percent note and execute a mortgage in substantially the same form as the mortgage filed in this proceeding to secure the payment of said note, provided that the authority herein granted to execute said 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 mortgage ^{as} to such other legal requirements to which said mortgage may be subject.
3. The authority herein granted will become effective when Esteban Oyharzabal, Jr. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Fifty (\$50.00) Dollars.
4. Esteban Oyharzabal, Jr. shall within sixty (60) days after the execution of the mortgage file with the Railroad Commission a certified copy thereof.

DATED at San Francisco, California, this 2nd
day of September, 1928.



Fee # 25918

Leon White
Chairman
John S. Lott
Commissioners.