

LRA

Decision No. 20788

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SALINAS COLD STORAGE & ICE COMPANY)
for permission to mortgage its)
property.)

Application No. 15376.

BY THE COMMISSION:

O P I N I O N

Salinas Cold Storage & Ice Company has applied to the Railroad Commission for permission to execute a chattel mortgage and deed of trust to secure the payment of a promissory note of \$28,000.00 payable in 120 monthly installments, for the purpose of renewing outstanding indebtedness and of financing the cost of additions and betterments.

The application shows that Salinas Cold Storage & Ice Company is a corporation organized under and by virtue of the laws of Nevada. It is engaged in the business of manufacturing ice and of operating a cold storage warehouse at Salinas. The testimony shows that it was engaged in the cold storage business prior to August 2nd, 1927, the effective date of Section two and one half (2-1/2) of the Public Utilities Act. For the year 1928 it reports sales of ice at \$94,809.90, revenues from storage at \$959.28 and miscellaneous revenues at \$3,112.03, making a total of \$98,881.21. Expenses during the same period, including interest, are reported at \$73,011.76, leaving a profit for the year of \$25,869.45.

The assets and liabilities as of December 31, 1928, are reported by the company as follows;-

ASSETS:

| | | |
|-----------------------------------|------------|---------------------|
| Current assets: | | |
| Cash | \$3,833.41 | |
| Accounts receivable | 3,571.85 | |
| Sales contracts | 2,387.29 | |
| Inventory of supplies | 1,063.72 | |
| Other current assets | 650.00 | \$11,506.27 |
| Real estate | | 7,500.00 |
| Buildings and equipment | 186,535.79 | |
| Less-reserve for depreciation | 22,220.03 | 164,315.76 |
| Total assets..... | | <u>\$183,322.03</u> |

LIABILITIES:

| | | |
|---|-------------|---------------------|
| Current liabilities: | | |
| Accounts payable | \$14,714.57 | |
| Dividends payable | 238.00 | \$ 15,002.57 |
| Mortgages and notes payable | | 25,826.36 |
| Subscribed stock | | 200.00 |
| Reserve for retirement of preferred stock | | 436.00 |
| Capital stock: | | |
| Preferred | \$14,400.00 | |
| Common | 102,100.00 | 116,500.00 |
| Surplus | | 25,357.10 |
| Total liabilities..... | | <u>\$183,322.03</u> |

It appears that on July 1, 1925, applicant executed a mortgage to Salinas Brewing Company to secure the payment of \$20,000. due on July 1, 1926. This indebtedness is now past due and the company wishes to execute a new note for the purpose of discharging the amount and of obtaining additional funds to pay for a new ice storage building with a capacity of 1800 tons of ice. The estimated cost of the new building is reported at \$8,715.00, consisting of the following items;-

| | | |
|---|------------|-------------------|
| Lumber | \$1,060.00 | |
| Labor | 600.00 | |
| Sheet cork | 588.00 | |
| Cranulated cork | 1,667.00 | |
| 300 ft. pipe | 600.00 | |
| Iron work | 250.00 | |
| Concrete work | 700.00 | |
| Painting and oiling | 250.00 | |
| Elevator for ice | 1,000.00 | |
| Total..... | | \$6,715.00 |
| Building roads and stalls for nine trucks..... | | 2,000.00 |
| Grand total..... | | <u>\$8,715.00</u> |

To secure the payment of the \$28,000.00 note it now proposes to issue, applicant intends to execute a deed of trust on its properties and also a chattel mortgage. Copies of these instruments have been filed with the application and appear to be in satisfactory form.

O R D E R

Salinas Cold Storage & Ice Company having applied to the Railroad Commission for permission to execute a mortgage and deed of trust, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that this application should be granted as herein provided; and that the issue of the note herein authorized is reasonably required by applicant,

IT IS HEREBY ORDERED that Salinas Cold Storage & Ice Company be, and it hereby is, authorized to execute on or before May 1, 1929, a deed of trust and a chattel mortgage substantially in the same form as the copies of such instruments filed with the application herein, and to issue at par on or before May 1, 1929, its promissory note, secured thereby, in the principal amount of \$28,000.00, payable in 120 monthly installments, and use the proceeds to pay outstanding indebtedness of \$20,000.00 and finance the cost of the new ice storage building referred to in the foregoing opinion.

The authority herein granted is subject to the following conditions:-

1. The authority herein granted to execute a deed of trust and a chattel mortgage is for the purpose of this proceeding only and is granted only 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 they may be subject.

2. Applicant shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$28.00.

DATED at San Francisco, California, this 18th day of February, 1929.

Phoebe Louise
Al Seaver
Edmund Cook
Leon Whitehall

Commissioners.

