

LEM

Decision No. 20835.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
FRED A. SUTHERLAND )  
for permission to borrow money to ) Application No. 15427  
finance the building of a garage. )

BY THE COMMISSION:

OPINION

ORIGINAL

Fred A. Sutherland has applied to the Railroad Commission for an order authorizing him to issue a note for \$13,500.00 secured by a deed of trust.

The application shows that Fred A. Sutherland, under the firm name and style of Sutherland's Tia Juana Stages, is engaged in the business of operating automobile stages for the transportation of passengers between San Diego and Tia Juana; San Diego and Spring Valley; San Diego and Chula Vista, Coronado, Imperial Beach and Palm City; and Otay and Aztec City; and also of operating sight-seeing automobiles. In his annual reports filed with the Commission he has reported his revenues and expenses for the calendar years as follows:-

ITEM	1926	1927	1928
Transportation revenue	\$269,271.83	\$265,358.18	\$292,320.25
Transportation expense	228,341.12	249,117.75	253,004.27
Net transportation revenue	40,930.71	16,240.43	39,315.98
Nonoperating income	1,298.32	637.67	10,405.79
Net income	42,219.03	16,878.10	49,721.77
Nonoperating expenses	11,619.61	4,426.58	5,431.77
Profit for year	\$30,599.42	\$12,451.52	\$44,290.00

It appears that in connection with applicant's operations he has leased a piece of property, 100 feet by 100 feet in dimension, located in the City of San Diego, upon which he has constructed at a cost of \$14,811.85 a garage to house and repair his fleet of automobile stages. He reports that he has an option to purchase the real property for \$8,000.00 and has concluded to exercise it, believing it more advantageous and economical to own the property. Applicant estimates that an annual saving of \$3,000.00 a year will accrue to him as a result of the purchase of the property.

To finance the cost of the land and in part the cost of the building, applicant proposes to borrow \$13,500.00 from Mortgage Guarantee Company, payable in installments of \$405.00 on the first day of each and every sixth month beginning January 1, 1931 to and including July 1, 1943, the balance to be payable on January 1, 1944, all deferred payments bearing interest at the rate of seven percent per annum, payable quarterly. The loan will be evidenced by a note secured by a deed of trust on the property. A copy of the proposed deed has been filed and appears to be in satisfactory form.

#### ORDER

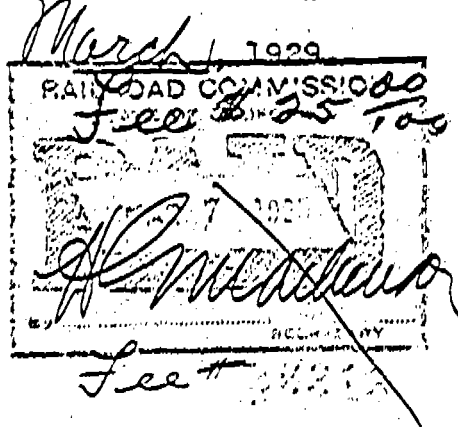
Fred A. Sutherland having applied to the Railroad Commission for permission to issue a note secured by a deed of trust, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary, and that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Fred A. Sutherland be, and he hereby is, authorized to execute a deed of trust substantially in the same form as that filed in this proceeding, and to issue a promissory note secured thereby in the principal amount of \$13,500.00, payable as indicated in the foregoing opinion, and to use the proceeds received through the issue of the note to pay for the real property and to finance in part the cost of the garage referred to in this proceeding.

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

1. The authority herein granted to execute a deed of trust 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 as to such other legal requirements to which it 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 him to file, within thirty days thereafter, 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 minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

DATED at San Francisco, California, this 4th day of



Frank Louie

C. Seaver

Leon ...

W. J. ...

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Commissioners