

Decision No. 21124.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
ZIMMERMAN BROS.,	)	
a co-partnership, to purchase certain	)	
real property (under contract of sale)	)	
situate in Los Angeles County, State	)	Application No. 15556
of California.	)	

Roy Lewis, for applicant.

BY THE COMMISSION:

**ORIGINAL**

OPINION

In this application, as amended at the hearing had on May 8th before Examiner Fankhauser, Zimmerman Bros., a co-partnership, asks permission to issue a note for \$31,500.00, to execute a deed of trust to secure the payment of such note, and to assume the payment of a \$10,000.00 note due July 24, 1930, secured by a mortgage, all for the purpose of acquiring the property to which reference is made hereafter.

Zimmerman Bros. are engaged in the freight transportation business between Los Angeles and Long Beach, in a local drayage business in Long Beach and in the operation of a warehouse, such warehouse operation being incidental to the transportation business. For 1928 the company reports operating revenues of \$86,218.36. Its profits from its operations, that is, the sum remaining after the payment of operating expenses, depreciation, rent and interest, amount to \$3,374.24.

Zimmerman Bros., according to the record, have heretofore leased from the Wildberg Swartz Lumber Company the following property;-

Lots twenty-four (24), twenty-five (25) and twenty-six(26) of Block twenty (20) of a re-survey and correcting plat of Long Beach Harbor Tract, as per map recorded in Book 10, page 142 of maps in the office of the County Recorder of Los Angeles County.

This property is situated at the corner of Wilmington Street and Pico Boulevard and is known as #901 Pico Boulevard and has an area of approximately 23,000 square feet.

Zimmerman Bros. propose to acquire the properties at a cost of \$42,500.00, payable as follows;-

Cash \$1,000.; the assumption of a \$10,000. seven percent note secured by a first mortgage, due July 24, 1930, and the issue of a \$31,500. seven percent note payable in monthly installments of \$350. from August 24, 1929 to July 24, 1931 and then in installments of \$450. The payment of the \$31,500. note will be secured by a deed of trust which will be a second lien on the properties.

The testimony of L. E. Zimmerman shows that Zimmerman Bros., have need for the properties referred to herein and that they are well adapted for use in connection with their transportation and warehouse business. He also testified that the value of the property was in excess of the price which they have agreed to pay for the same.

The particular issue before the Commission in this proceeding is the assumption of a note secured by a mortgage, the issue of a note for \$31,500.00 and the execution of a deed of trust to secure the payment of the note. The Wildberg Swartz Lumber Company is not engaged in a public utility business and it may therefore sell the properties to Zimmerman Bros. without the consent of the Commission.

ORDER

Zimmerman Bros., having asked permission to issue notes, to assume indebtedness and to execute a deed of trust for the purpose of acquiring the properties referred to in the opinion which precedes this order, and the Commission being of the opinion that the money, property or labor to be acquired through the assumption of such indebtedness and the issue of the note is reasonably required by Zimmerman Bros., 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) Zimmerman Bros., may, on or before October 1, 1929, issue a \$31,500.00 note bearing interest at the rate of seven percent per annum and being payable in monthly installments of \$350.00 per month from August 24, 1929 to July 24, 1931, and thereafter in installments of \$450.00 per month, for the purpose of paying in part for the properties referred to in the foregoing opinion, which properties Zimmerman Bros., are hereby authorized to purchase.

(2) Zimmerman Bros. may, on or before October 1, 1929, assume the payment of a \$10,000.00 note with interest at the rate of seven percent per annum and secured by a first mortgage on the properties, to which reference is made in the foregoing opinion.

(3) Zimmerman Bros. may, on or before October 1, 1929, execute a deed of trust substantially in the same form as the deed of trust filed in this proceeding for the purpose of securing the payment of the \$31,500.00 note which Zimmerman Bros. are herein authorized to issue, provided that the authority herein granted to execute a deed of trust 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 as to such other legal requirements to which said deed of trust may be subject.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Zimmerman Bros. have paid the fee prescribed by Section 57 of the Public Utilities Act, and the Auto Stage and Truck Transportation Act, which fee is Thirty-two (\$32.00) Dollars.

(4) Within thirty days after the issue of the note herein authorized, Zimmerman Bros. shall file with the Railroad Commission a copy of such note.

DATED at San Francisco, California, this 20<sup>th</sup> day of May, 1929.

David Louie

C. J. Ames

Zimmerman Bros.

Leon Whitell

W. J. Lee

Commissioners.

