

Decision No. 21150

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
W.B.HARDEN and ETHEL SHULTZ HARDEN,)
as trustees for the stockholders of)
the Willows Warehouse Association,)
a dissolved corporation, W. B.)
Harden and C. L. Wolcott for an)
order authorizing the sale of)
public utility properties to W. B.)
Harden and the encumbrancing and)
leasing of same by him.)

Application No. 15610.

ORIGINAL

H. C. Bell, for applicants.

BY THE COMMISSION:

O P I N I O N

In the above entitled matter the Railroad Commission has been asked to make its order authorizing -

- (1) W. B. Harden and Ethyl Shultz Harden, as trustees for the stockholders of Willows Warehouse Association, a dissolved corporation, to sell and convey certain real properties to W. B. Harden.
- (2) W. B. Harden to borrow the sum of \$15,000.00 on said real properties from the Bank of Willows and as security for said loan, to make, execute and deliver a trust deed on such properties.
- (3) W. B. Harden to make, execute and deliver to C. L. Wolcott, as lessee, a lease of said properties.

(4) C. L. Wolcott, as lessee, to execute such lease.

Willows Warehouse Association was a corporation organized on or about February 17, 1883, under the laws of the State of California, and heretofore has been engaged in the business, among others, of operating a public utility warehouse in Willows. The present application shows that by an order and decree of the Superior Court of the State of California in and for the County of Glenn, duly made and entered on May 3, 1928, Willows Warehouse Association was ordered and declared a dissolved corporation and W. B. Harden and Ethyl Shultz Harden, appointed trustees for the stockholders of such dissolved corporation, with power and directions to settle all of its affairs. It appears that at the time of the dissolution the corporation had outstanding \$50,000.00 of common stock, substantially all of which was owned by W. B. Harden.

The record shows that W. B. Harden and Ethyl Shultz Harden, as trustees, now have agreed to sell and convey to W. B. Harden the properties heretofore used by Willows Warehouse Association in conducting a public utility business, which properties are described in some detail in Exhibit "A" attached to the application. It is reported that the transfer is proposed to be made for the reason that W. B. Harden is the beneficiary owner of the stock of the dissolved corporation and desires to acquire the actual title in his name.

It appears that on April 1, 1929 there was outstanding against the properties a mortgage in the principal amount of \$22,500.00. Upon receiving conveyance of the properties W. B. Harden desires to execute a new mortgage in the lesser amount of

\$15,000.00, payable in annual installments of \$1,250.00, commencing May 1, 1930, with interest at the rate of seven percent per annum. A copy of the mortgage and of the note have been filed with the applicant as Exhibit "D" and appear to be in satisfactory form.

In Exhibit "D" the cost of the fixed capital less depreciation is reported at \$50,966.85 and the current assets of the business at \$43,055.51; a total of \$94,022.36. The revenues from the operation of the business during the year 1928 were reported at \$39,608.85 and the expenses at \$25,110.33, leaving a balance of \$14,498.52. It appears to us that the properties and business are ample to support the note issue in the amount requested.

The application further shows that W. B. Harden, after executing the note and mortgage referred to, desires to lease the warehouse properties for a term of five (5) years to C. L. Wolcott for a total rental of \$20,000.00. C. L. Wolcott in this connection reports that upon acquiring possession of the properties under the lease, he will continue to operate them as a public utility warehouse in the same manner as before. A copy of the lease and a financial statement of C. L. Wolcott are filed with the application and it does not appear to us that the public interest will be injured by the execution of the lease.

O R D E R

Application having been made to the Railroad Commission, as set forth in the foregoing opinion, and the 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 issue of the \$15,000.00 note is reasonably required for the purpose specified herein,

IT IS HEREBY ORDERED as follows:-

1. W. B. Harden and Ethyl Shultz Harden as trustees for for the stockholders of Willows Warehouse Association, a dissolved corporation, may transfer the properties referred to in this application to W. B. Harden.
2. W. B. Harden, upon acquiring such properties, may execute a mortgage substantially in the same form as that filed in this proceeding as Exhibit "B" and may issue a promissory note, secured thereby, in the principal amount of \$15,000.00 payable in annual installments of \$1,250.00 commencing in May, 1930, with interest at the rate of seven (7%) percent per annum, for the purpose of refunding in part, indebtedness now outstanding against such properties.
3. W. B. Harden and C. L. Wolcott may execute and enter into a lease substantially in the same form as that filed as Exhibit "C" in this proceeding.
4. The authority herein granted is subject to the following conditions -

- a. W. B. Harden and Ethyl Shultz Harden shall unite immediately with C. L. Wolcott in common supplement to the tariffs on file with the Railroad Commission, W. B. Harden and Ethyl Shultz Harden on the one hand withdrawing and C. L. Wolcott on the other hand accepting and establishing such tariffs and all effective supplements thereto.
- b. W. B. Harden 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 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.
- c. The authority herein granted to execute a 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 such mortgage as to such other legal requirements to which it may be subject.
- d. The authority herein granted will become effective when W. B. Harden has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00)

Dollars.

- e. The authority herein granted to execute a lease is for the purpose of this proceeding only and is not to be construed as obligating the Commission to recognize the annual rental set forth in such lease as a proper operating expense.

DATED at San Francisco, California, this 24th
day of May, 1929.

David Louder

C. J. Seamy
Emery

W. J. Lee
Commissioners.

Fee #25 $\frac{20}{100}$

RECEIVED COMMISSION

1929
H. M. Johnson

Fee # 20827