

LBM

Decision No. 22213.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
HOLLYWOOD STORAGE COMPANY )  
for the approval of a trust deed in ) Application No. 16315  
favor of C.E.Toberman Company. )

BY THE COMMISSION:

ORIGINAL

OPINION

In the above entitled matter the Railroad Commission is asked to make an order approving the execution by Hollywood Storage Company of a deed of trust to secure the payment of a demand note payable to C.E.Toberman Company.

Information on file with the Commission shows that Hollywood Storage Company is a corporation organized on or about July 8, 1915, and engaged, among other things, in the public storage of household goods in Hollywood. Although organized in 1915, the company did not come under the jurisdiction of the Railroad Commission until 1927, its first schedule of rates being issued July 27, 1927. At present it appears that the public utility operations constitute but a minor part of the company's total business.

The application shows that as of December 31, 1929, the company had outstanding \$346,000.00 of first mortgage six and one half percent serial bonds, due 1931 to 1944, and a \$285,475.09 demand note, secured by a deed of trust, in favor of C. E. Toberman Company, the owner of substantially all of its outstanding stock. In connection with this outstanding indebtedness, it seems that during 1925 the company constructed the building it now occupies at a cost of

about \$700,000.00, financing such cost through the issue of \$400,000 of bonds, now reduced to \$346,000.00, and the issue of a demand note, secured by a second deed of trust, to C. E. Toberman Company, for the balance.

Subsequently, when the company's operations, in part, had been brought under the supervision of the Commission, it reduced the amount due the C.E.Toberman Company, and on December 31, 1928 executed a demand note and deed of trust in the amount of \$329,053.76. The amount since has been reduced to \$285,475.09.

The company did not obtain an order of the Commission authorizing it to execute the deed of trust on December 31, 1928. It clearly appears, however, that its failure to do so was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. When the matter was called to its attention it caused the present application to be filed.

The request is made for approval of the deed of trust now outstanding. We do not believe that we can grant such approval. In our opinion the deed of trust now outstanding is void and it does not seem to us that entering an order at this time approving the transaction will make valid the void instrument. The order herein will authorize the company to execute a new deed of trust to secure the payment of the note.

#### ORDER

Hollywood Storage Company having applied to the Railroad Commission for approval of a deed of trust and the Commission being of the opinion that this is not a matter in which a public hearing is necessary, and that an order should be entered as indicated herein,

IT IS HEREBY ORDERED that Hollywood Storage Company be, and it hereby is, authorized to execute a deed of trust substantially in the same form as that filed with the Commission in this proceeding to secure the payment of its demand note of \$329,053.76 dated December 31, 1928, and on which note there was due on December 31, 1929 the sum of \$285,475.09, provided that 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.

DATED at San Francisco, California, this 15<sup>th</sup> day of March, 1930.

Cl. Seamy  
Leon A. Kelly  
Frank L. Smith

Commissioners.