

LBM

Decision No. 23975.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
M. K. TURNER and NELSON R. CROW
for an order authorizing the transfer
of assets of a water distribution
system doing business under the fic-
titious name, Central Square Water
Supply.

Application No. 17588

ORIGINAL

Daugherty and Daugherty, by E. A. Daugherty,
for applicants.

BY THE COMMISSION:

O P I N I O N

In this application, as amended at the hearing had before Examiner Fankhauser on August 19th, the Commission is asked to enter its order authorizing (1) the transfer of the public utility water plant operated under the fictitious name of Central Square Water Supply; (2) the issue of notes; and (3) the execution of deeds of trust and/or a mortgage, to which reference will be made hereafter.

The record shows that Nelson R. Crow is the present owner of the Central Square Water Supply. This property in general consists of all of lot 95, except the westerly 25 feet thereof, on the map of tract number 6056, filed in book 74, page 33 of maps, in the office of the county recorder of Los Angeles County, a 12-inch well 360 feet deep, a four stage Layne & Bowler deep well turbine pump, a Westinghouse 25 horse power motor, a 15,000 gallon redwood tank placed on a 60 foot tower, about 6,000 feet of water pipe, mostly 2, 4 and 6

inch mainsto consumers, and other tools, fittings and miscellaneous equipment. He has agreed to sell the properties to M. K. Turner for \$3,700.00. Of this amount, he will receive \$2,700.00 in cash and the balance in a \$1,000.00 note secured by a second deed of trust or mortgage on the property.

The purchaser desires authority to issue a \$2,700.00 eight percent one-year note to The Maywood Bank and execute a deed of trust to secure the payment of the note. He will use the \$2,700.00 to make the cash payment due Nelson R. Crow. He also asks permission to issue the \$1,000.00 note and execute a second deed of trust or mortgage to secure the payment of such note.

Decision No. 18191, dated April 7, 1927, in Application No.

13556 recites that the original cost of the water properties to which reference is made herein was \$13,715.05 and that Nelson R. Crow paid \$8,000.00 for the properties. It appears from the record that Nelson R. Crow is the editor and publisher of the Western Livestock Journal and that his work requires him to be away from his office frequently. He therefore finds it impossible to give proper attention to the water system. The purchaser, M. K. Turner, has been operating the properties for Nelson R. Crow for several months and has had considerable experience in operating public utility water properties.

The deeds of trust and second mortgage which M. K. Turner desires to execute are in satisfactory form.

O R D E R

The Commission having considered the evidence submitted in this proceeding and being of the opinion that the transfer of the aforesaid properties should be authorized and that the money, property or labor to be procured or paid for by the issue of notes in the amount

of \$3,700.00 by M. K. Turner, is reasonably required by him for the purposes herein stated, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Nelson R. Crow be, and he is hereby, authorized to sell and transfer to M. K. Turner for the sum of \$3,700.00, the public utility water plant and properties operated by him under the fictitious name of Central Square Water Supply, and more particularly described in the foregoing opinion and in Exhibit "A" filed in this proceeding.
2. M. K. Turner and Anna A. Turner, husband and wife, be and they are hereby, authorized to issue, after the effective date hereof, and prior to November 1, 1931, at their face value, two 8 percent one year notes; one for \$2,700.00, the other for \$1,000.00, and shall use said notes or the moneys obtained through their issue, to pay for the aforesaid properties.
3. M. K. Turner and Anna A. Turner, husband and wife, be, and they are hereby, authorized to execute, after the effective date hereof and prior to November 1, 1931, for the purpose of securing the payment of the aforesaid \$2,700.00 note, a deed of trust substantially in the same form as the deed of trust filed in this proceeding as Exhibit "B", which deed of trust shall be a first lien on the aforesaid properties, and for the purpose of securing the payment of the aforesaid \$1,000.00 note, place a second lien on said properties by executing a deed of trust or mortgage in form similar to said Exhibit "B", except that it shall be a second lien.
4. The authority herein granted to execute deeds of trust and/or a mortgage is for the purpose of this proceeding only and is

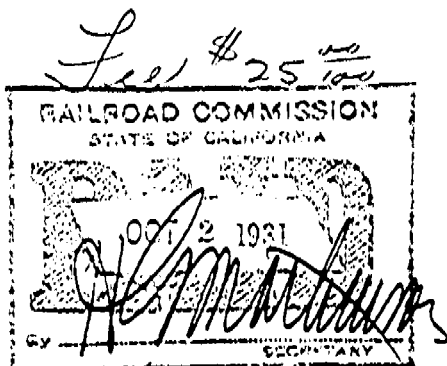
granted only insofar as the Commission has authority to do so under the provisions of the Public Utilities Act, and is not an approval of said deeds of trust and/or mortgage as to such other legal requirements to which said deeds of trust and/or mortgage may be subject.

5. The authority herein granted will become effective when M. K. Turner has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

6. Within thirty days after acquiring the aforesaid properties, M. K. Turner shall file with the Commission the following:-

- a. A copy of each note issued by him.
- b. A statement showing the date on which he acquired the aforesaid properties.
- c. A statement in which he agrees for himself and his successors and assigns that he will not urge before the Commission or any other public body that the \$3,700.00 which he has agreed to pay for the aforesaid properties, determines the value of said properties for the purpose of fixing rates.

DATED at San Francisco, California, this 24th day of August, 1931.



Fee # 23221

Leon A. White

M. B. Lane
Fred G. Stewart

Commissioners.