

LBM

Decision No. 24848.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LOS ANGELES ICE AND COLD STORAGE COMPANY,)
a corporation, for an order approving)
the extension of the maturity dates of) Application No. 17580
the notes and mortgages herein set forth.)

Pillsbury, Madison and Sutro,
by Hugh Fullerton, for applicant.

BY THE COMMISSION:

ORIGINAL

OPINION

In this proceeding Los Angeles Ice and Cold Storage Company asks the Commission to approve the extension of the maturity dates of the notes and mortgages, to which reference is made herein.

Los Angeles Ice and Cold Storage Company was organized on or about September 12, 1901 under the laws of the State of Delaware. It is engaged, and has been for many years last past, in the business of operating a public utility warehouse in the City of Los Angeles. As of December 31, 1930 it reports its assets and liabilities as follows:-

<u>ASSET ACCOUNTS</u>	
Warehouse and equipment	\$1,220,910.98
Cash	128,077.73
Notes receivable	1,763,101.08
Accounts receivable-advances for customers	194,847.16
Accounts receivable- due on storage charges	216,947.58
Accounts receivable-other	10,914.75
Prepayments	7,996.86
Total asset accounts	<u>\$3,542,796.14</u>

<u>LIABILITY ACCOUNTS</u>	
Capital stock	\$1,000,000.00
Long term debt	250,000.00
Indebtedness due affiliated companies	993,867.77
Accounts payable	9,462.52
Accrued liabilities not due	7,310.99
Reserve for accrued depreciation	473,948.72
Other reserves	27,443.34
Profit and loss balance-credit	780,762.80
Total liability accounts	<u>\$3,542,796.14</u>

For the year 1930 the company reported revenues and expenses as follows:-

Operating revenues	\$ 352,926.52
Operating expenses	190,565.71
Net operating revenues	<u>162,360.81</u>
Add nonoperating revenues	123,675.54
Gross income	286,036.35
<u>DEDUCTIONS:</u>	
Uncollectible operating revenue	\$1,791.05
Interest on long term debt	16,249.92
Other interest	51,691.70
Depreciation on buildings	39,696.12
State and local taxes on land and buildings	15,836.28
Federal taxes	19,249.90
Insurance on buildings	4,157.04
Total deductions	<u>148,672.01</u>
Net income for 1931	<u>\$137,364.34</u>

During 1930 the company paid dividends on its common stock in the amount of \$114,000.00.

It is of record that applicant on July 1, 1920 issued a \$100,000.00 six and one half percent note and executed a mortgage on its property situated at #689 Mesquite Street, to secure the payment of such note. The note by its terms is payable on or before three years after date. It appears, however, that no payments have been made on the principal of the note. It further appears from an agreement (Exhibit D) dated April 27, 1928 that the California Consumers Company acquired the note and that at all times the note continued as a valid enforceable obligation, notwithstanding the period of time which had elapsed since the original date of the maturity of the note. Under the terms of the agreement of April 27, 1928, which agreement is between Los Angeles Ice and Cold Storage Company and California Consumers Company, the holder of the note, the maturity date of the note was extended to April 1, 1948.

It appears also from the record in this application that on December 24, 1921 applicant issued a \$150,000.00 six and one half percent note and executed a mortgage on its properties at #715 and #707 East Fourth Street, Los Angeles, to secure the payment of the note. By its terms this note matured on December 24, 1924. No payments have been made on the note. The note, according to Exhibit "G" has been acquired by the California Consumers Company. Both the note and mortgage have from time to time been recognized by applicant as a valid and enforceable obligation. The maturity of the note has been extended to April 1, 1948.

At the time the maturity dates of the aforesaid notes and mortgages were extended, applicant was of the opinion that it was not necessary to obtain permission from this Commission. Upon examining the annual report which applicant subsequently filed with the Commission, it was discovered that the maturity dates of the two notes

were extended. The Commission questioned the authority of such extensions and as a result applicant concluded that it should obtain the Commission's permission to extend the maturity dates of the notes and mortgages, and, accordingly, filed this application.

There is nothing in the record to show that applicant intentionally violated the provisions of the Public Utilities Act. We believe that this application should be granted, as provided in the following order.

ORDER

Los Angeles Ice and Cold Storage Company having asked the Commission to make its order approving the extension of the maturity dates of the notes and mortgages referred to in this application, a public hearing having been held before Examiner Fankhauser, the Commission having considered applicant's request and being of the opinion that applicant should be permitted to extend the maturity dates of the notes and mortgages referred to in this application, therefore,

IT IS HEREBY ORDERED as follows:-

1. Los Angeles Ice and Cold Storage Company be, and it is hereby authorized, to extend to April 1, 1948 the maturity date of the \$100,000.00 note referred to in Exhibits "B", "C" and "D" filed in this proceeding, and to extend to April 1, 1948 the maturity date of the \$150,000.00 note referred to in Exhibits "E" and "F" also filed in this application.
2. Los Angeles Ice and Cold Storage Company be, and it is hereby, authorized to execute mortgages in the same

form as the mortgages filed in this proceeding as
Exhibit "C", as amended by Exhibit "D"; and ^{as} Exhibit
"F", as amended by Exhibit "G"; provided that the
authority herein granted to execute said mortgages
is for the purpose of this proceeding only, and is
granted only insofar as this Commission has juris-
diction under the terms of the Public Utilities Act,
and is not intended as an approval of said mortgages
as to such other legal requirements to which said
mortgages may be subject.

3. The authority herein granted will become effective when Los Angeles Ice and Cold Storage Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Two Hundred and Fifty (\$250.00) Dollars.

DATED at San Francisco, California, this 21st day of
September, 1931.

CC Shany
Leon W. Shany

W B Harris
Fred G. Stewart

Commissioners.

