

Decision No. 24441

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
GRANGERS' BUSINESS ASSOCIATION,)	
a corporation, for an order approving)	
a note and a deed of trust and chattel)	Application No. 17903
mortgage in security thereof.)	

L. A. Bailey, for applicant.

BY THE COMMISSION:

OPINION

ORIGINAL

Grangers' Business Association has applied to the Railroad Commission for authority to issue a one-year six percent note for \$113,500.00 to pay outstanding indebtedness, and to approve a deed of trust, a chattel mortgage and an assignment of a wharf franchise.

It appears that Grangers' Business Association is engaged in the public utility warehouse business, chiefly for the storage of barley, at a point known as Eckley, Contra Costa County, near Crockett. Its properties, according to the application, include real property, containing some 2300 feet of frontage at deep water and tidelands, a one-story frame warehouse and wharf located on pilings, the warehouse being 178 feet by 610 feet in dimension and with a capacity of 123,500 square feet of space, and the wharf 196 by 630 feet in dimension. The properties adjoin deep water and have spur track connections with the Southern Pacific lines. The real property

has been appraised by George W. McNear at \$92,000.00 and the warehouse property and equipment by David Kelly, at an estimated present value of \$159,333.00.

The company has outstanding against its properties \$198,510.00 of stock and a three year note due on May 28, 1928 for \$113,500.00 and other indebtedness in a nominal amount of about \$1,200.00. The \$113,500.00 note is secured by a deed of trust and represents moneys earlier borrowed and used in the reconstruction of applicant's properties.

It appears in connection with the note indebtedness that about 1920 applicant's property collapsed, due to the infestation of the teredo in its underpiling and that applicant found it necessary to expend about \$190,000.00 in replacing and reconstructing its facilities. The record shows that the company was compelled to borrow most of the amounts needed for these purposes and to issue its notes in evidence thereof.

From time to time the company has renewed its outstanding notes and has reduced the face amount to \$113,500.00. The renewals of the notes were not authorized by the Commission, but it clearly appears, from the testimony herein, that the failure on the part of the company to secure such approval was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. The company now desires to issue a new note to Bank of America National Trust and Savings Association, as evidence of the indebtedness remaining unpaid and to secure the payment of the same by a deed of trust and chattel mortgage and an assignment of its wharf franchise granted by the Board of Supervisors of Contra Costa County.

O R D E R

Grangers' Business Association, having applied to the Railroad Commission for permission to issue a note and to execute a deed of trust, a chattel mortgage and an assignment of its wharf franchise, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of such note is reasonably required for the purpose specified,

IT IS HEREBY ORDERED, that Grangers' Business Association be, and it hereby is, authorized to execute its promissory note in the principal amount of \$115,500.00 payable on or before one year after date of issue with interest at not exceeding six percent per annum for the purpose of paying or renewing a note indebtedness of like amount now outstanding.

IT IS HEREBY FURTHER ORDERED, that Grangers' Business Association be, and it hereby is, authorized to execute for the purpose of securing the payment of the aforesaid note of \$115,500.00, together with interest thereon, a deed of trust substantially in the same form as that filed in this application as Exhibit "D", a chattel mortgage substantially in the same form as that filed as Exhibit "E", and an assignment of its wharf franchise substantially in the same form as that filed as Exhibit "F".

The authority herein granted is subject to the following conditions:

1. Applicant shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable it to file within thirty(30) days there-

after 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.

2. The authority herein granted to execute a deed of trust and chattel mortgage and an assignment of wharf franchise 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, chattel mortgage and assignment of franchise as to such other legal requirements to which they may be subject.
3. The authority herein granted is not to be construed as a finding of value of the properties of applicant for the purpose of fixing rates or for any purpose other than this transaction.
4. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred and Fourteen (\$114.) Dollars.

DATED at San Francisco, California, this 1st day of February, 1932.

Fee \$114.00
100
R. M. Maxhous
Feb #

C. C. Leaven
Leon Whittle
W. H. Carr
M. B. Harris
Fred G. Atkinson
Commissioners.