

HS

Decision No. 11127.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

* * *

In the Matter of the Application of)
FRED MEYERS, sole owner of the)
PULLMAN WATER COMPANY, for an order)
to hypothecate all of the property)
of the said Pullman Water Company)
for certain purposes.)

Application No. 7154

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

In a supplemental petition filed in the above entitled matter on October 13, 1922, FRED MEYERS, operating a public utility water system under the name of PULLMAN WATER COMPANY, asks permission to execute a mortgage to secure the payment of a note in the principal sum of \$7,000.00 payable serially in equal ^{annual} installments of \$1,000.00 each with interest at 7 per cent. per annum, for the purpose of obtaining moneys to pay a judgment obtained by Alois J. Meindersee and Grace Meindersee, together with interest, costs and expenses in connection therewith.

By Decision No. 11064, dated October 7, 1922, in the above entitled matter, the Railroad Commission authorized Fred Meyers to execute a mortgage of his public utility properties to secure to Alois J. Meindersee and Grace Meindersee the payment of the aforesaid judgment, interest and costs. Reference is here made to Decision No. 11064, which contains a review of the court proceedings.

At the hearing held on the original petition, applicant reported that he might be compelled to issue long term notes to secure moneys to pay the judgment, interest and costs. At the time applicant, however, was not in a position to advise the Commission definitely of the course he would follow and the Commission

therefore authorized him to execute a mortgage to secure the payment of the judgment, interest and costs. He now reports in the supplemental petition that he intends to pay such judgment through the issue of a \$7,000.00 note, the payment of which he proposes to secure by the execution of a mortgage covering all of his public utility properties. It is of record that the judgment, together with interest and costs to date, amounts to \$6,300.00. In addition, applicant reports that he has incurred other expenses incidental to the litigation amounting to \$2,500.00.

Counsel for Alois J. Meindersee and Grace Meindersee consented to the issue of an order by the Railroad Commission authorizing applicant to execute a mortgage as proposed by him in his supplemental petition provided that such an order contain a provision that so much of the proceeds realized through the issue of the note and the execution of the mortgage as may be necessary, shall be used for the purpose of paying and discharging the judgment against Fred Meyers referred to herein.

It appears that applicant does not intend to avail himself of the permission granted in Decision No. 11064. We believe that the order in that decision should be vacated, set aside and the request made in this supplemental petition granted as herein provided, -therefore,

IT IS HEREBY ORDERED, that FRED MEYERS, operating a public utility water system under the name of PULLMAN WATER COMPANY, be, and he is hereby, authorized to issue a note at not less than face value in the principal amount of \$7,000.00 and execute a mortgage upon his public utility property substantially in the same form as the mortgage filed with the supplemental petition herein on October 13, 1922, for the purpose of securing the payment of the note.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 11064, dated October 7, 1922, be, and it is hereby vacated and set aside.

The authority herein granted is subject to further conditions as follows:

- 1.--Applicant shall use so much, as may be necessary, of the \$7,000.00 received through the issue of the note herein authorized to pay the judgment together with the costs and interest against him by Alois J. Meindersee and Grace Meindersee, which judgment is referred to herein. That part of the \$7,000.00 not needed to pay the aforesaid judgment, costs and interest, may be used by applicant to pay other expenses incidental to the litigation relating to said judgment, or for such other purposes as the Railroad Commission may authorize.
- 2.--The authority herein granted to execute a mortgage is for the purpose of this proceeding only and is granted in so far as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said mortgage as to such other legal requirements to which said mortgage may be subject.
- 3.--The authority herein granted will not become effective until applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.
- 4.--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 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 in so far as applicable is made a part of this order.
- 5.--The authority herein granted will apply only to such mortgage and

note as may be executed and issued on or before
December 31, 1922.

DATED at San Francisco, California, this 19th
day of October, 1922.

Irving Martin
Chairman
W. J. Leland

Commissioners

