

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA:

In the matter of the application of
SACRAMENTO WAREHOUSE COMPANY, a
corporation, for an order authorizing
the issue of promissory notes of the
face value of \$60,000, and the execu-
tion of a deed of trust to secure
the same.

Application No. 1109..

Decision No. 1474

Frank J. O'Brien for applicant.

THELLEN, Commissioner.

OPINION:

This is an application for authority to issue two promissory notes, one in the sum of \$10,000 and one in the sum of \$50,000, both payable to ~~the order of~~ the Sacramento Bank, or its order, and to bear interest at the rate of 7% per annum, payable monthly.

Heretofore, on December 26, 1913, applicant executed its two certain promissory notes, one for the sum of \$10,000 and one for the sum of \$50,000, payable to the Sacramento Bank, and also its deed of trust to secure the same. The first note was to be payable on December 26, 1914 and the second on December 26, 1915. As this Commission's consent was not secured, the second note and also the deed of trust are void, under the provisions of Section 52 of the Public Utilities Act.

The Warehouse Company did not understand the law in this respect, and now asks authority to issue new notes and a new deed of trust. The bank has agreed that when certain notes given to the Sacramento Warehouse Company by persons who have subscribed for the stock of that company have been paid, it will then advance to the Sacramento Warehouse Company \$60,000 on its two notes, these notes to be secured by a deed of trust on the Warehouse Company's property. The proceeds of these notes are to be used, together with the proceeds from the sale of stock heretofore authorized by this Commission, for the construction and completion of the company's six-story and basement warehouse in the city of Sacramento.

These notes and this trust deed shall not be executed and delivered to the bank until the bank is ready to pay over the money. I find further that the proceeds from the execution of these notes are to be used for proper capital expenditures, and that this Commission should authorize the issue of the notes and of the deed of trust as provided in the order herein.

I submit herewith the following form of order:

O R D E R:

SACRAMENTO WAREHOUSE COMPANY having applied to the Railroad Commission for an order authorizing the issue of the two notes hereinafter referred to, together with a deed of trust to secure the same, and a public hearing having been held upon said application, and the Commission finding that the proceeds from the execution of said notes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Sacramento Warehouse Company be and the same is hereby authorized to issue its two promissory notes, one in the sum of ten thousand dollars (\$10,000), to be payable one year after the date of the issue, the other in the sum of fifty thousand dollars (\$50,000), to be payable two years after the date of issue, both notes to be payable to the Sacramento Bank, or order, and to bear interest at the rate of 7 per cent per annum, interest payable monthly, said notes to be substantially in the form attached to the petition herein as Exhibit A-1 and Exhibit A-2, and said company is hereby also authorized to execute to J. M. Henderson, Jr., and W. M. Bowers, parties of the second part, and Sacramento Bank, party of the third part, a deed of trust of all its property, in substantially the form attached to the petition herein as Exhibit A-3, to secure the payment of said notes, on the following conditions and not otherwise, to-wit:

1. Sacramento Warehouse Company shall issue said notes for not less than their face value in cash and shall deliver the same only when the payee thereof pays to Sacramento Warehouse Company the

face value of these notes, respectively.

2. The proceeds from the issue of said notes shall be used only in the construction and completion of the six-story and basement warehouse of Sacramento Warehouse Company, which is being constructed on Lot No. 2 in the block bounded by R, S, Eleventh and Twelfth streets, in the city of Sacramento.

3. Sacramento Warehouse Company shall keep separate, true and accurate accounts, showing the receipt and application in detail of the proceeds of the issue of the notes hereby authorized to be issued, and on or before the 25th day of each month the company shall make a verified report to the Commission showing the moneys realized from the issue of said notes and the use and application of such moneys, all in accordance with the provisions of this Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

4. The authority hereby given to issue notes shall apply only to notes issued by said company on or before the first day of January, 1915.

5. Sacramento Warehouse Company shall file with this Commission a certified copy of said deed of trust, when executed.

6. This order shall ^{not} become effective with reference to the two-year note hereinbefore authorized until applicant has paid the fee specified in Section 57 of the Public Utilities Act, as amended.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 2nd day of May, 1914.

Railroad Commission State of California

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MAY 6 1914

BY E. B. Matthews
Assistant Secretary.

H. H. Davidson

Mar. Shelton

Edwin O. Edgerton

Commissioners.