

Decision No. ✓

ORIGINAL

Decision No. 1545

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
the Los Angeles Warehouse Company,
for permission to refund its present
indebtedness now evidenced by note
and secured by mortgage on its real
property.

Application No. 1137

W. E. Brock for applicant

EDGERTON, Commissioner

O P I N I O N

This is an application by Los Angeles Warehouse Company to extend promissory note on which there will become due on June 1, 1914, the sum of \$150,000, or to execute a new note for a like sum.

On June 1, 1909, Los Angeles Warehouse Company borrowed \$190,000 from Pacific Mutual Life Insurance Company of California, and executed a note therefor, payable in five years, with interest at six per cent per annum. This note was secured by a first mortgage on the real property of the warehouse company. There has been paid \$40,000 on the principal of this indebtedness and the balance of \$150,000 falls due on June 1, 1914.

Applicant desires to extend this note or to borrow the money to pay the same and to execute a new note secured by the mortgage on the same property now mortgaged to the insurance company.

The money obtained upon the issuance of the note to the Life Insurance Company was used to pay for the construction

of the warehouse building of applicant.

It appears that applicant's earnings are sufficient to easily pay the interest on this indebtedness. and I recommend that the application be granted and submit herewith the following form of order:

O R D E R

Application having been made by Los Angeles Warehouse Company for an order authorizing the extension of a promissory note or the execution of a new promissory note for the sum of \$150,000, and a public hearing having been had thereon and it appearing to the Commission that the money to be obtained from the extension of said note or the issuance of a new note is necessary for the refunding and paying off of the obligations of applicant and that the proceeds from the extension of said note or the issuance of a new note are not in whole or in part reasonable chargeable to operating expenses or to income,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Los Angeles Warehouse Company is hereby authorized to extend for a period of one year from June 1, 1914, that certain promissory note dated June 1, 1909, made to Pacific Mutual Life Insurance Company of California, for the principal sum of \$190,000 with interest at the rate of six per cent per annum, payable semi-annually and on which said promissory note the sum of \$40,000 has been paid, or in lieu of the extension of said note Los Angeles Warehouse Company is hereby authorized to issue a promissory note in the principal sum of \$150,000 with interest not to exceed six and one-half per cent per annum, and to secure the payment of said promissory note by executing a mortgage upon the real property of applicant, which said real property is now mortgaged to secure the payment

of the promissory note heretofore made to Pacific Mutual Life Insurance Company of California.

This order is made upon the following conditions:

1. If a new note is issued then there shall be received by applicant the full face value of said note, and the proceeds thereof shall be used only for the purpose of paying off the indebtedness represented by the note dated June 1, 1909, made to Pacific Mutual Life Insurance Company of California.

2. Immediately upon the extension of the existing note, or the execution of a new note, as above authorized, applicant shall report to this Commission the full detail of such transaction.

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 28th day of May, 1914.

A. D. Loveland

Max Thelen

Edwin O. Edgerton

Commissioners.