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Decision No. _____

ORIGINAL

Decision No. 2964

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

In the Matter of the Application)	
of CONSOLIDATED SECURITIES COM-)	
PANY, a corporation, for permis-)	<u>Application</u>
sion to issue its promissory note)	
for \$25,000 and to execute a deed)	<u>No. 1985.</u>
of trust securing the same.)	

W. J. Williams for Applicant.

BY THE COMMISSION.

O P I N I O N

This is an application for an order authorizing the issue by CONSOLIDATED SECURITIES COMPANY, a corporation, of a promissory note for \$25,000, bearing interest at the rate of seven per cent. per annum and payable November 20, 1918, and the execution of a deed of trust securing the same. The proposed note is to be payable to California Security-Loan Corporation and the proposed deed of trust is to be made to Title Guaranty and Trust Company, as trustee. Said proposed deed of trust contains a pro-

vision for further advances upon the property pledged in the amount of \$2,500.00. A copy of the said proposed deed of trust, marked "Exhibit C", is annexed to the application herein and contains a description of the four parcels of property affected by this application.

Applicant desires to issue said promissory note for the following purposes, namely: First, to purchase from said California Security-Loan Corporation the property designated in said deed of trust as parcels two, three and four, for the sum of \$11,500.00; and, second, to apply a further sum, amounting to \$13,500.00, to the paying off of the existing encumbrance against the property described in said deed of trust as parcel one.

Applicant's president testified that he considered the real estate designated as parcel one to be worth at least \$40,000.00, and that designated as parcels two, three and four to be worth at least \$11,500.00.

It further appears that applicant is engaged principally in the business of buying and selling real estate, and merely owns and operates certain small utility properties as a part of its business. None of the property included in the proposed deed of trust, however, is used as a part of or in connection with any of said public utility properties. Accordingly this Commission's authorization is not

necessary so far as the execution of the deed of trust is concerned. It is, nevertheless, necessary for the execution of the three-year note to be secured thereby.

O R D E R

Application having been made by CONSOLIDATED SECURITIES COMPANY for an order authorizing the execution of its promissory note to California Security-Loan Corporation and the execution of its deed of trust as security for the same to Title Guaranty and Trust Company, as trustee,

And a public hearing having been held, and it appearing to the Commission that the purposes for which said note, or the proceeds thereof, are to be used are not in whole or in part reasonably chargeable to operating expenses or to income, and that the application should be granted,

IT IS HEREBY ORDERED that Consolidated Securities Company be, and the same is hereby, authorized to issue its promissory note to California Security-Loan Corporation for the principal sum of \$25,000.00, said note to be dated November 20, 1915, and to be payable three years after date and to bear interest at the rate of seven per cent. per annum.

The authority herein granted is granted upon the following conditions, and not otherwise:

1. Consolidated Securities Company shall issue said note so as to net not less than the face value thereof.

2. Consolidated Securities Company shall apply the proceeds of said note as follows: the sum of \$11,500.00 to the purchase price of the land described as parcels two, three and four in said proposed deed of trust, and the sum of \$13,500.00 to paying off the existing encumbrance against the property described therein as parcel one.

3. Within thirty days after the issue of said promissory note applicant shall report to this Commission the payee of said note, its date, its term, rate of interest, the face value thereof, and the disposition of the proceeds.

4. The note herein authorized shall be executed and issued by applicant on or before March 31, 1916.

5. This Order shall not become effective until Consolidated Securities Company has paid the fee specified in Section 57, as amended, of the Public Utilities Act.

Dated at San Francisco, California, this 9th day of December, 1915.

Max Thelen
H. D. Howard

Edwin O. Johnston
Frank P. Walker

Commissioners.

Railroad Commission
DEC 14 1915
BY W. H. Madison
Assistant Secretary