

Decision No. 27806

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
T. E. BROWN and DENNIS COLLINS, )  
a co-partnership doing a general )  
warehouse business in the County of )  
Yolo, State of California, under the )  
firm name and style of Brown and Col- )  
lins, to dissolve said co-partnership )  
and for permission on behalf of Dennis )  
Collins to convey to T.E.Brown all of )  
his interest in said co-partnership )  
and for permission on behalf of said )  
T. E. Brown to mortgage said property. )

ORIGINAL

Application No. 19823

Neal Chalmers, for applicants.

BY THE COMMISSION:

OPINION AND ORDER

This is an application for an order authorizing the transfer of a partnership interest in a public utility warehouse property and business, and the execution of a note and deed of trust in part payment.

The application shows that T. E. Brown and Dennis Collins, co-partners doing business under the firm name and style of Brown and Collins, are engaged in the public utility warehouse business at Woodland, owning and operating primarily for the storage of grain and rice, what are known as Woodland Warehouses Nos. 1 and 2, and Producers Warehouses Nos. 1 and 2. For the year 1934 they report gross revenues from the operation of their business at \$39,479.33, expenses at \$34,031.04 and profit for the year at \$5,448.29. The

assets and liabilities at the close of 1934 are stated as follows:-

A S S E T S

|                                      |                    |
|--------------------------------------|--------------------|
| Cash on hand and in bank. . . . .    | \$ 677.16          |
| Notes receivable . . . . .           | 212.45             |
| Accounts receivable . . . . .        | 1,732.29           |
| Accrued storage . . . . .            | 14,398.18          |
| Other assets . . . . .               | 882.84             |
| Real estate . . . . .                | 45,250.00          |
| Machinery, fixtures, automobiles . . | <u>5,500.00</u>    |
| Total assets....                     | <u>\$68,652.92</u> |

L I A B I L I T I E S

|                                       |                    |
|---------------------------------------|--------------------|
| Notes payable . . . . .               | \$ 4,400.00        |
| Accounts payable . . . . .            | 1,498.91           |
| Mortgages or liens on real estate . . | <u>14,566.00</u>   |
| Total liability                       | \$20,464.91        |
| Net worth . . . . .                   | <u>48,188.01</u>   |
| Total .....                           | <u>\$68,652.92</u> |

It appears that arrangements now have been made looking to the dissolution of the co-partnership and the transfer of the partnership interest of Dennis Collins to T. E. Brown. Under the terms of the agreement, dated January 29, 1935, between the two parties, a copy of which is filed as Exhibit "A", T. E. Brown agrees to assume and agree to pay all the firm's debts, whether secured or unsecured, and to pay to Dennis Collins the sum of \$16,000.00 as follows:- (1) \$3,000.00 in cash upon execution of the agreement; (2) \$1,256.44 by an assignment to Dennis Collins of an account of \$1,256.44 receivable from R. J. Dinsdale and T. E. Bourn; (3) \$53.75 by the relinquishment by T. E. Brown of any interest in ten shares of stock of Transamerica Corporation heretofore issued to Dennis Collins; (4) and by the execution of a promissory note to Dennis Collins in the amount of \$11,689.81 payable at the rate of \$150.00 a month with interest at the rate of six per cent per annum and secured by a deed of trust on certain real property used in the

warehouse operations. Copies of the deed of trust and note were filed on February 28, 1935.

The indebtedness to be assumed by T. E. Brown, according to advice received from counsel for applicants, includes a note and deed of trust on certain real properties held by Bank of Yolo in the amount of \$4,967.00; a contract with Lewis Estate to purchase other properties in the principal amount of \$9,000.00 payable in installments of \$1,000.00 a year; contracts with Coast Holding Corporation for the purchase of properties in the amount of \$599.00 and unsecured short term notes for \$3,400.00, one to Bank of California for \$2,500., one to R. H. Collins for \$200.00 and one to Bank of Yolo for \$700.00. A copy of the deed of trust held by Bank of Yolo to be assumed by T. E. Brown has been filed in this proceeding.

It appears to the Commission that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the execution and assumption of the deeds of trust and notes is reasonably required for the purpose specified herein, and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that Dennis Collins be, and he hereby is, authorized to transfer to T. E. Brown his interest in the partnership warehouse business, properties and assets referred to herein, such transfer to be made in accordance with the terms and conditions of the agreement dated January 29, 1935, filed with the application as Exhibit "A".

IT IS HEREBY FURTHER ORDERED that T. E. Brown, in order to pay in part for the warehouse business, properties and assets herein authorized to be transferred, be, and he hereby is, authorized to execute a deed of trust, substantially in the same form as that filed on February 28, 1935, and to issue a note, secured thereby, in the principal amount of \$11,689.81, payable in monthly installments of \$150.00, with interest at the rate of six per cent, and to assume and agree to pay the indebtedness referred to herein and in said agreement of January 29, 1935.

The authority herein granted is subject to the following conditions:-

1. T. E. Brown shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable him to file within thirty (30) days thereafter a report of such action.
2. The authority herein granted to execute a deed of trust 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 as to such other legal requirements to which said deed of trust may be subject.
3. Applicants shall join in common supplement to the tariffs now on file with the Commission in their names, Dennis Collins on the one hand withdrawing and T. E. Brown on the other hand accepting and establishing as his own such tariffs and all effective supplements thereto.

4. The authority herein granted will become effective when T. E. Brown has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 11th day of March, 1935.

Leon A. ...

M. A. ...

W. B. ...

...

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Commissioners.

