

Decision No. 27906

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN BERNARDINO HOLDING COMPANY,
a corporation, for permission to
encumber real property by Deed of
Trust.

Application No. 19920

In the Matter of the Application of
ASSOCIATED WAREHOUSE AND TRUCK COMPANY,
for permission to Deed and Transfer its
real and personal property to San Ber-
nardino Holding Company, a California
corporation.

Application No. 19921

ORIGINAL

Knight & Reynolds, by Thomas Reynolds,
for San Bernardino Holding Company.
Duckworth & Harrison, for Associated Warehouse
and Truck Company.

BY THE COMMISSION:

O P I N I O N

In Application No. 19921 Associated Warehouse and Truck Company asks permission to transfer real and personal property located in San Bernardino, to San Bernardino Holding Company.

In Application No. 19920 San Bernardino Holding Company asks permission to execute a deed of trust and to issue a note for \$10,000.00.

It appears that Associated Warehouse and Truck Company is a corporation engaged in the business of warehousing and trucking general merchandise in the City of San Bernardino and that in the conduct of its business it has acquired certain property described by it as follows:-

REAL PROPERTY

That certain real property situated in the City of San Bernardino, County of San Bernardino, State of California, particularly described as follows:

Lots Thirty-eight(38), Thirty-nine(39), Forty (40), Forty-one(41), Forty-two(42), Forty-three(43), Forty-four(44), Forty-five (45), Forty-six(46), Forty-seven(47), Forty-eight(48), Forty-nine(49), and Fifty (50), of Block "F" of the Hall Subdivision of the Brown Tract, as per plat recorded in the office of the County Recorder of said County and State, in Book 6 of Maps, at page 45.

PERSONAL PROPERTY

Office furniture and fixtures, and warehouse equipment now in and upon said real property at San Bernardino, including three trucks: One White Van, Engine No. 4-A3-603, 1935 License No. BE-PC-P-8408; One GMC Truck, Engine No. P-827123, 1935 License No. BE-PC-P-8407; One Reo Truck, Engine No. DMV-58062, 1935 License No. BE-PC-P-8406.

Information on file in the office of the Commission indicates that as of June 1, 1925, the company executed a mortgage or deed of trust on its real properties and issued \$85,000.00 of first mortgage seven percent bonds, due June 1, 1935. It is recited in Application No. 19921 that the bonded indebtedness now outstanding against the company's properties amounts to \$74,500.00 upon which there is accrued and unpaid interest of \$21,420.00, and that in addition there exists unpaid taxes and street bonds of \$5,063.72, making a total indebtedness of \$100,983.72.

The bonds having been in default for some time a bondholders' protective committee was organized, and all the bonds have been deposited with the Committee. The Committee has caused the formation of a new corporation named San Bernardino Holding Company, which will acquire and operate the properties of Associated Warehouse and Truck Company for the proportionate benefit of the bondholders, in lieu of foreclosing the trust indenture, until such time as it can advantageously dispose of them. In consideration for the transfer of the properties of Associated Warehouse and Truck Company covered by the indenture, the new corporation has agreed to cancel the bonded indebtedness and to pay the unpaid taxes, assessments and street bonds.

San Bernardino Holding Company was incorporated under the laws of the State of California on or about February 6, 1935 with an authorized capital stock of 1000 shares, all without par value, of which five shares heretofore have been issued to its directors as qualifying shares. It reports that it does not intend to issue any additional shares but that it proposes to execute a deed of trust covering properties to be acquired from Associated Warehouse and Truck Company and to issue its note for \$10,000.00 to obtain funds to pay certain obligations incurred in carrying out the program referred to in these matters. These obligations are as follows:-

Taxes, assessments, street bonds	\$5,000.
Trustees' fees	1,200.
Attorney's fees	1,300.
Title charges	300.
Government stamp taxes	200.
Miscellaneous expenses	500.
Working capital	1,500.
Total.....	<u>\$10,000.</u>

A copy of the proposed deed of trust, including the note, is attached to Application No. 19920. It appears that the note will be dated as of March 1, 1935, will bear interest at the rate of seven percent per annum, and will be payable in quarterly installments, including principal and interest of \$500.00.

ORDER

Associated Warehouse and Truck Company and San Bernardino Holding Company having applied to the Railroad Commission for an order authorizing the transfer of properties and the execution of a deed of trust and note for \$10,000.00, and the Commission being of the opinion that these are not matters in which public hearings are necessary, that the applications should be granted as herein provided, and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein,

IT IS HEREBY ORDERED that Associated Warehouse and Truck Company be, and it hereby is, authorized to transfer to San Bernardino Holding Company the properties referred to and described in the preceding opinion and in Application No. 19921, such transfer to be made under the terms outlined in Application No. 19921.

IT IS HEREBY FURTHER ORDERED that San Bernardino Holding Company be, and it hereby is, authorized to execute a deed of trust substantially in the same form as that filed with Application No. 19920 and to issue its promissory note in the principal amount of \$10,000.00 payable as set forth in said deed of trust, for the purpose of paying the indebtedness of \$10,000.00 referred to in said Application No. 19920.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the following conditions:-

1. San Bernardino Holding Company shall keep such record of the issue of the \$10,000.00 note 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 Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.
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. The authority herein granted is not to be construed as a finding of value of the properties herein authorized to be transferred.

4. Associated Warehouse and Truck Company and San Bernardino Holding Company shall join in common supplement to the tariffs now on file with the Commission in the name of Associated Warehouse and Truck Company, the former company withdrawing from, and San Bernardino Holding Company adopting and establishing as its own such tariffs and all effective supplements thereto.

5. The authority herein granted to transfer properties will become effective upon the date hereof, while the authority granted to execute the deed of trust and to issue the note for \$10,000.00 will become effective when San Bernardino Holding Company 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 29th day of April, 1935.

Leon Whiteley
M. H. Case
M. B. Harris
W. H. ...
George R. ...
 Commissioners.

Fee \$25.00
 RAILROAD COMMISSION
 STATE OF CALIFORNIA
 APR 24 1935
[Signature]
 SECRETARY
 Fee # 31267