

Decision No. 27993

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
A. Grace Dassel, Eleanor R. Miles and)
Clarisse McMullen, heirs of T.H.Dassel,)
deceased, doing business under the fic-)
titious name and style of Morgan Hill)
Telephone Company, for an order ap-)
proving sale of interests therein.)

Application No. 19947

ORIGINAL

In the Matter of the Application of)
A. GRACE DASSEL,)
for an order authorizing her to borrow)
money and give deed of trust to secure)
same.)

Application No. 19948

Louis Oneal, for A. Grace Dassel.
J. J. Henderson, for Eleanor R. Miles
and Clarisse McMullen.

BY THE COMMISSION:

O P I N I O N

In Application No. 19947 the Railroad Commission is asked to make its order authorizing the sale of the interests of Eleanor R. Miles and Clarisse McMullen in and to the Morgan Hill Telephone Company, to A. Grace Dassel, for the sum of \$6,000.

In Application No. 19948 the Commission is asked to make its order authorizing A. Grace Dassel to execute a deed of trust and to issue a promissory note for \$3,400. to pay in part the purchase price of the telephone properties.

The proceedings show that the three applicants are the heirs at law of T. H. Dassel, deceased, formerly conducting a public utility telephone business in and about Morgan Hill under the firm name and style of Morgan Hill Telephone Company. It appears that on January 11, 1935 there was distributed to each of the three parties

by the Superior Court in and for the County of Santa Clara all of the interest of the said deceased in and to the telephone business and properties in the following shares:- 46 per cent to A. Grace Dassel, 27 per cent to Eleanor R. Miles and 27 per cent to Clarisse McMullen. A copy of the Decree of Distribution is on file with the Commission in these proceedings.

The applications show that Eleanor R. Miles and Clarisse McMullen desire to dispose of their interests in and to the telephone system and to that end have made arrangements to sell the same to A. Grace Dassel for the sum of \$6,000. It is reported that since the death of T.E.Dassel on June 27, 1932, A Grace Dassel, as administratrix, has continued to conduct the business, so that it would appear no change in the operation of the properties would result because of the proposed transfer. In connection with the proposed price of \$6,000. for the 54 per cent interest of the sellers, applicants allege that the properties were appraised by the Inheritance Tax Appraiser at \$14,000. In 1929 the Commission's Engineering Department, in an application involving a revision of rates, estimated the historical reproduction cost, undepreciated, of the properties as of April 1, 1929, at \$17,258.

In order to pay a part of the purchase price, A. Grace Dassel proposes to borrow \$3,400. from Bank of America National Trust and Savings Association and to issue in evidence thereof, a seven per cent promissory note payable in monthly installments of \$100. commencing July 15, 1935 and continuing to April 15, 1938, secured by a deed of trust covering the premises occupied by the telephone plant, together with certain other property.

A copy of the note and a copy of the deed of trust were filed with the Commission on May 13, 1935. Both appear to be in

satisfactory form.

ORDER

The Commission having been requested to enter its order or orders authorizing the transfer of property, the execution of a deed of trust and the issue of a note, all as indicated in the foregoing opinion, and the Commission having considered applicants' requests and 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, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Eleanor R. Miles and Clarisse McMullen be, and they hereby are, authorized to transfer to A. Grace Dassel for the sum of \$6,000., all of their interests in and to the properties known as the Morgan Hill Telephone Company, provided that the authority herein granted shall not be construed as a determination of the value of said properties, for any purpose other than the transfer herein authorized.

IT IS HEREBY FURTHER ORDERED that A. Grace Dassel be, and she hereby is, authorized to execute a deed of trust substantially in the same form as that filed with the Commission on May 13, 1935, and to issue a promissory note, secured by said deed of trust, in the principal amount of \$3,400., bearing interest at the rate of seven per cent per annum and payable in monthly installments of \$100. commencing July 15, 1935, and use the proceeds of said note issue for the purpose of paying in part for the properties herein authorized to be transferred to her, provided--

1. That 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; and
2. That within thirty(30) days after the issue of the note herein authorized, A. Grace Dassel shall file with the Commission a copy of said note, together with a statement showing the purpose for which the proceeds were expended.
3. That the authority herein granted will become effective when A. Grace Dassel 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 27th day of
 May, 1935.

Leon A. White

W. A. Carr

J. W. B. Lewis

Walter B. ...

David R. ...

Commissioners.

Fee \$ 25⁰⁰/₁₀₀
 RAILROAD COMMISSION
 MAY 27 1935
W. A. Carr
 SECRETARY
 Fee # 31379