

Decision No. 28825

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
HOWARD TERMINAL, )  
a corporation, for an order authoriz- )  
ing the borrowing of money and the ) Application No. 20540  
mortgaging and pledging of property )  
as security. , )

Fitzgerald, Abbott and Beardley, for applicant.

BY THE COMMISSION:

O P I N I O N

**ORIGINAL**

Howard Terminal, a corporation, asks permission to issue an \$180,000. five percent note to obtain funds to pay indebtedness and to pay the cost of constructing improvements to its properties.

Applicant is a California corporation and is engaged, among other things, in the warehouse and wharfinger business as a public utility. Generally described, its property consists of certain piers, docks, warehouses, storage yard, machine shop, quay wall, shed and other buildings, equipment and appurtenances necessary to carry on its business. Insofar as its public utility business is concerned it is engaged in operating certain warehouses and wharfinger facilities in the City of Oakland.

As of March 31, 1936 applicant reports assets and liabilities as follows:-

	<u>A S S E T S</u>	
<u>FIXED CAPITAL:</u>		
Property . . . . .		\$181,427.51
Buildings and construction . . . . .		697,985.10
Equipment . . . . .		138,595.75
<u>INVESTMENTS:</u>		
500 shares Howard Terminal Railway . . . . .		50,000.00
<u>CURRENT ASSETS:</u>		
Cash . . . . .		9,548.71
Accounts receivable . . . . .		78,389.07
Materials and supplies . . . . .		1,855.30
<u>DEFERRED CHARGES:</u>		
Unexpired insurance . . . . .		3,669.15
Other . . . . .		1,000.00
		Total.....\$1,162,470.59

L I A B I L I T I E S

<u>CAPITAL STOCK:</u>	
Common stock, 2500 shares, par value \$100. share . . .	\$250,000.00
<u>CURRENT LIABILITIES:</u>	
Notes payable . . . . .	78,500.00
Miscellaneous accounts payable . . . . .	23,528.98
<u>DEFERRED CREDIT ITEMS:</u>	
Reserve for accrued depreciation . . . . .	434,677.83
Reserve for Federal capital stock tax . . . . .	700.00
Reserve for unemployment insurance . . . . .	743.81
Taxes accrued . . . . .	3,820.02
Surplus . . . . .	<u>370,499.95</u>
Total . . . . .	<u>\$1,162,470.59</u>

Applicant asks permission to issue a note for the sum of \$180,000.00 and use the proceeds for the following purposes:-

To pay an outstanding demand note . . . . .	\$ 75,000.00
To construct, improve, and extend its public utility wharfing facilities . . . . .	85,000.00
To construct an addition to property now leased to Kieckhefer Container Company and/or to F.E.Booth, Inc. . . . .	10,000.00
For contingencies . . . . .	<u>10,000.00</u>
	<u>\$ 180,000.00</u>

Any part of the \$10,000.00 set aside for contingencies not needed by applicant will be paid to the Central Bank of Oakland in payment pro tanto of its loan.

The improvements to applicant's wharfing facilities consist of a shed 570' long and 56' wide, the re-location of railroad tracks, the planking and paving of an apron wharf, a new office building, and other additions and betterments to its properties.

Applicant intends to issue its \$180,000.00 note to Central Bank of Oakland. The note provides that the interest thereon shall be paid monthly in advance at the rate of five percent per annum. The principal is payable as follows:- \$1500. on January 12, 1937 and \$1500. on the 12th day of each and every succeeding month thereafter until May 12, 1946, on which date the entire balance of the principal, with the interest thereon, is due and payable. The deed of trust securing the payment of the note contains a provision that upon any change in the ownership of the majority of the outstanding capital stock of Howard

Terminal the bank may at its option with or without demand or notice, declare all sums secured by the deed of trust immediately due and payable.

The payment of the note will be secured by a deed of trust (Exhibit C, as amended), the lien of which will cover all of applicant's real property and the improvements and fixtures thereon. It will be further secured by a general pledge and collection agreement (Exhibit D); by the transfer and pledge to the Central Bank of Oakland of 500 shares of the capital stock of Howard Terminal Railway and by the assignment and transfer to the Central Bank of Oakland of applicant's interest as lessee and as lessor in and to the leases described in Exhibit E filed in this proceeding.

We have examined applicant's proposed deed of trust and find the same to be in satisfactory form.

#### ORDER

Howard Terminal having asked permission to issue a note in the principal sum of \$180,000. and to execute a deed of trust and other instruments, all as more fully set forth in the foregoing opinion, the Commission having considered applicant's requests and being of the opinion that this is not a matter in which a public hearing is necessary, that the money, property or labor to be procured or paid for by the issue of said \$180,000. note is reasonably required by applicant for the purposes herein stated, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:-

1. Howard Terminal may, after the effective date hereof and prior to October 1, 1936, issue its note for the sum of not exceeding \$180,000., such note to be substantially in the same form as the note filed in this proceeding as Exhibit B,

and use the proceeds for the purposes set forth in the foregoing opinion and in applicant's petition filed in this proceeding.

2. To secure the payment of the aforesaid note Howard Terminal may execute a deed of trust substantially in the same form as the deed of trust filed in this proceeding as Exhibit C, as amended; it may also execute a general pledge and collection agreement substantially in the same form as the general pledge and collection agreement filed in this proceeding as Exhibit D, and may further execute an assignment and transfer of its interest as lessee and as lessor in those certain leases described in Exhibit E, provided that the authority herein granted to execute the aforesaid instruments 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 instruments as to such other legal requirements to which they may be subject.
3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred and Eighty(\$180.) Dollars.
4. Howard Terminal shall from time to time file with the Railroad Commission a report or reports such as are required by the Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

5. Within thirty(30) days after the execution of the instruments authorized to be executed by this order, Howard Terminal shall file with the Railroad Commission a true and correct copy of each and every instrument as executed.

DATED at San Francisco, California, this 18<sup>th</sup> day of May, 1936.

~~SECRETARY RAILROAD COMMISSION STATE OF CALIFORNIA~~  
SECRETARY RAILROAD COMMISSION  
STATE OF CALIFORNIA

M. B. Harris  
Leon Whitely  
M. A. C...  
W. H. ...  
Frank R. ...  
Commissioners.

Fee \$180<sup>00</sup>/<sub>100</sub>  
RAILROAD COMMISSION  
STATE OF CALIFORNIA  
MAY 18 1936  
SECRETARY  
Fee # 32657