

Decision No. 28942

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LAWRENCE H. CUMMINS and LOUISE D.
CUMMINS, his wife, for an order auth-
orizing the encumbrance of two ware-
houses situate at Norman, California,
by the execution of certain Deeds of
Trust to secure certain indebtedness
of said Lawrence H. Cummins and Louise
D. Cummins, his wife.)

ORIGINAL

Application No. 20619

Carrol F. Byrd, for applicants.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Commission is asked to enter its order authorizing Lawrence H. Cummins and Louise D. Cummins, his wife, to issue notes for the aggregate total sum of \$7,500. and execute deeds of trust to secure the payment of the notes.

Lawrence H. Cummins is now engaged in the public utility warehouse business at Norman, Glenn County, California. He operates two warehouses; one known as L. E. Cummins Warehouse #1, having corrugated walls and roof and wood floor, and covering 10,000 sq. ft., and containing 180,000 cu. ft.; and the other known as L. E. Cummins Warehouse #2, being a frame building covering 10,000 sq. ft., and containing 120,000 cu. ft. Both warehouses are located on a 10 acre tract of land situate at Norman, and more particularly described as follows:-

" The Southwest quarter(SW $\frac{1}{4}$) of the southwest quarter(SW $\frac{1}{4}$) of the southwest quarter(SW $\frac{1}{4}$) of Section 15, Township 18 North, Range 3 West, M. D. B. & M. (excepting and excluding therefrom existing railroad right of way and any and/or all easements, reservations and rights of way of record as of January 5, 1934, and also excepting and excluding an easement and/or right of way for the irrigation ditch now existing along or near the western boundary of said real property.) "

Rice and grain are the principal commodities stored in the warehouses.

It is of record that applicants are indebted to The Spalding Company, former owner of the warehouses, in the sum of \$11,581.36, together with accrued interest thereon at the rate of 6% per annum from November 1, 1933. The \$11,581.36 is the balance due on the purchase price of the warehouse properties. Applicants and The Spalding Company have agreed to compromise such indebtedness for the sum of \$7,500. Of this sum, \$5,000. will be paid The Spalding Company in cash and \$2,500. in notes, payable over a period of three years. Applicants propose to borrow the \$5,000. from The First National Bank of Willows and give to the bank their joint and several promissory note for \$5,000. payable two years after date, with interest at the rate of 7% per annum, payable semi-annually. This note is to be secured by a deed of trust which will be a first lien on the warehouse properties. Applicants also propose to issue their joint and several promissory notes aggregating \$2,500. to the order of The Spalding Company, payable as follows:- promissory note for \$500., payable on demand, or if no demand is made, then one year after date, bearing interest at the rate of 7% per annum, payable annually; promissory note for \$1,000. payable on demand, or if no demand is made, then two years after date, bearing interest at the rate of 7% per annum, payable annually; promissory note for \$1,000., payable on demand, or if no demand is made, then three years after date, bearing interest at the rate of 7% per annum, payable annually.

The \$2,500. of notes will be secured by a deed of trust which will be a second lien on the warehouse properties. A copy of each of the deeds of trust is on file in this proceeding. We find the same to be in satisfactory form.

For 1935 L. E. Cummins reports operating revenues of \$6,545.21 and operating and other expenses of \$6,109.47. The operating expenses include a personal salary of \$2,035.00. The value of applicants' assets is reported at \$20,665.00 as of June 1, 1936 and their liabilities, after the issue of the \$7,500.00 notes, at \$8,350.00.

O R D E R

The Commission having been asked to enter its order, as indicated in the foregoing opinion, and having considered applicants' requests and being of the opinion that this is not a matter on which a public hearing is necessary, that the money, property or labor to be procured or paid for through the issue of said \$7,500.00 of notes is reasonably required by applicants for the purpose of paying the indebtedness mentioned in the foregoing opinion, and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that Lawrence E. Cummins and Louise D. Cummins, his wife, be, and they are hereby, authorized to issue on or before September 1, 1936, notes for the sum of not exceeding \$7,500. for the purpose of paying the indebtedness mentioned in the foregoing opinion and in this application, said notes to be in substantially the same form as the notes filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that for the purpose of securing the payment of the said \$7,500.00 of notes, Lawrence E. Cummins and Louise D. Cummins, his wife, be, and they are hereby, authorized to execute deeds of trust substantially in the same form as the deeds of trust filed in this proceeding, provided that the authority herein granted to execute deeds of trust is for the purpose of this proceeding only and is granted only insofar as this Commission has juris-

diction under the terms of the Public Utilities Act, and is not intended as an approval of said deeds of trust as to such other legal requirements to which said deeds of trust may be subject.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicants have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the issue of said notes and the execution of said deeds of trust, Lawrence H. Cummins shall file with the Commission a true and correct copy of each of said deeds of trust, as executed, and a true and correct copy of each note issued under the authority herein granted.

DATED at San Francisco, California, this 20th day of June, 1936.

W B Lewis

W A Orr

W H ...
Frank R. ...

Commissioners.

Fee \$ 25 ⁰⁰/₁₀₀
RAILROAD COMMISSION
STATE OF CALIFORNIA
JUN 30 1936
Fee # 32770