

Decision No. 20191

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTH END WAREHOUSE COMPANY)
for an order authorizing the consol-)
idation of certain liens on public) Application No. 21494
utility property.)

Lovell and Richardson, for applicant.

ORIGINAL

BY THE COMMISSION:

O P I N I O N

In this proceeding South End Warehouse Company, a corporation, asks permission to issue a note for the sum of \$247,500. for the purpose of paying the balance due on outstanding notes.

The South End Warehouse Company is engaged in a general warehousing business in and about the city and county of San Francisco.

Under the authority granted by the Commission in Decision No. 28763 dated April 27, 1936 in Application No. 20488 the company issued notes to the Crocker First National Bank of San Francisco in the sum of \$175,000. and executed a deed of trust to secure the payment of such notes. In the application now before the Commission it reports that there is now due on said notes the sum of \$164,803.03.

In Decision No. 28104 dated July 8, 1935 in Application No. 20038, South End Warehouse Company was authorized to issue a note for \$87,000. and to execute a deed of trust to secure the payment of such note. On this note there is now due the sum of \$83,500. The amount is payable to Wells Fargo Bank and Union Trust Company.

Applicant now proposes to borrow from the Crocker First National Bank of San Francisco \$247,500. for the purpose of paying

the balance due on the aforesaid two notes. The contemplated loan will be evidenced by a promissory note in words and figures as follows:-

" \$247,500.00 San Francisco, California, September 16, 1937.

For value received, the undersigned-----promises to pay to the order of CROCKER FIRST NATIONAL BANK OF SAN FRANCISCO, at its banking house in this city, the sum of Two Hundred Forty Seven Thousand, Five Hundred----- (\$247,500.00) Dollars, in Legal Tender of the United States, with interest thereon from the date hereof until paid at the rate of six(6) per cent per annum. Principal and interest payable monthly, in the manner following, that is to say: the sum of One Hundred Twenty Three Thousand, Seven Hundred and Fifty(\$123,750.00) Dollars, in one hundred and twenty(120) installments of One Thousand, Three Hundred Seventy Four and 90/100 ----- (\$1,374.90) Dollars each, the first installment to be paid on the _____ day of _____, 1937, (each payment shall be credited first, to the interest then due, and the remainder on the principal sum, and interest shall thereupon cease upon the amount so paid on said principal sum), and a like installment on the _____ day of each and every month thereafter without grace until the said sum of One Hundred Twenty Three Thousand, Seven Hundred and Fifty(\$123,750.00) Dollars, together with the interest as herein specified, shall have been fully paid, and the balance of One Hundred Twenty Three Thousand, Seven Hundred and Fifty(\$123,750.00) Dollars six and one-half(6½) years after date, with interest thereon from the date hereof until paid at the rate of six(6) per cent per annum, payable monthly. If interest is not paid as herein provided, the same is to be compounded by being added to the principal and becoming a part thereof and bearing thereafter the same rate of interest.

The Undersigned agree that in case of any one of said installments, or the interest thereon, or any part thereof, is not paid within ten days after the same becomes due, or in case any change is made in the title to all or any part of the property described in the deed of trust securing this note, the whole of said principal sum then remaining unpaid, together with the interest that shall have accrued thereon, shall become due and payable at the option of the holder of this note at any time during the continuance of the default without demand or notice. Principal and interest payable in Legal Tender of the United States.

This note is secured by a deed of trust bearing even date herewith.

(SEAL)

SOUTH END WAREHOUSE COMPANY,
a California corporation,
By Geo. W. Lamb, President,
By Malcolm W. Lamb, Secretary"

The payment of the note will be secured by a deed of trust, a copy of which is filed in this proceeding as Exhibit A. The properties on which this deed of trust will be a lien are described in applicant's petition.

O R D E R

South End Warehouse Company having asked permission to issue a note for the sum of \$247,500., the Commission having considered applicant's request and it being of the opinion that this is not a matter in which a hearing is necessary, that the money, property or labor to be procured or paid for by the issue of said note is reasonably required by applicant for the purposes herein stated and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that South End Warehouse Company be, and it hereby is authorized, to execute on or before December 31, 1937 a deed of trust in substantially the same form as the deed of trust filed in this proceeding as Exhibit A, for the purpose of securing the payment of a \$247,500. note, the issue of which note is hereby authorized.

IT IS HEREBY FURTHER ORDERED that South End Warehouse Company shall use the proceeds realized from the issue of said \$247,500. note, to pay the balance due on the notes mentioned in the petition filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that said note shall be issued in substantially the same form as the note set forth in the foregoing opinion, and 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.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the execution of said deed of trust and the issue of said note, South End Warehouse Company shall file with the Railroad Commission a copy of the deed of trust which it executed under the authority herein granted, a copy of the note which it issued under the authority herein granted and a statement showing the purposes for which it expended the proceeds realized from the issue of said \$247,500. note.

DATED at San Francisco, California, this 4th day of October, 1937.

Matthew W. Brown
Leon A. Whidell
Frank R. Brown
Robert A. Brown
Paul L. Kelley
Commissioners.