

Decision No. 31678

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
S. S. HINAMAN and G. H. McLEAN,
to purchase and operate the ware-
house known as the Channon and Long
Warehouse located at Gridley, Cal-
ifornia.

}
} Application No. 22165
}

BY THE COMMISSION:

OPINION AND ORDER

ORIGINAL

This is an application for an order authorizing T. B. Channon and Mary P. Long to sell to S. S. Hinaman and G. H. McLean Lots 1, 2, 3 and 4 in Block 19, and Lots 1, 2, 3 and 4 in Block 20, all in the City of Gridley, Butte County, together with warehouse buildings and personal property including scales, trucks and other warehouse equipment.

It appears that said Channon and Long, doing business under the firm name and style of Gridley Warehouses, have been engaged in operating public utility warehouses primarily for the storage of grain and rice. For the year 1937 they report their revenues at \$6,536.54, expenses at \$4,016.76 and profit for the year at \$2,519.78.

Said applicants have concluded to retire from the warehouse business and accordingly have made arrangements to dispose of their property to S. S. Hinaman and G. H. McLean for the sum of \$39,000.00, of which \$20,000.00 was to be paid in cash and \$19,000.00 to be evidenced by a promissory note. Subsequently the purchasers decided to add certain improvements to the properties and made arrangements to borrow from the Bank of America, National Trust & Savings Association, Gridley Branch, the sum of \$25,000.00 to pay off the \$19,000.00 balance due on the purchase price and to finance in part the cost of the proposed improvements. The arrangements thus made called for the issue by said Hinaman

and McLean of their 6% promissory note payable in monthly installments of \$400.00 up to and including September, 1943, when the entire balance of this principal and interest shall become due, and the execution of a deed of trust and mortgage of chattels to secure the payment of the note.

Copies of the note, deed of trust and mortgage of chattels were filed with the Commission on January 16, 1939. They appear to be in satisfactory form.

The Commission has considered applicants' requests^{and is} of the opinion that a public hearing is not necessary, that said requests should be granted subject to the provisions hereinafter stated, and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that T. B. Channon and Mary P. Long be, and they hereby are, authorized to sell and transfer their public utility warehouse properties referred to herein to S. S. Hinaman and G. H. McLean.

IT IS HEREBY FURTHER ORDERED that S. S. Hinaman and G. H. McLean be, and they are hereby authorized to execute a deed of trust, mortgage of chattels and promissory note for \$25,000.00 in or substantially in the same form as those filed in this proceeding on January 16, 1939 for the purpose of paying in part the purchase price of said properties and of improvements thereto, provided that the authority herein granted to execute such 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 such instruments as to such other legal requirements to which they may be subject.

IT IS HEREBY FURTHER ORDERED that said applicants shall immediately join in common supplements to the tariffs on file with this Commission naming rates for storage in the warehouse properties herein authorized to be transferred, said Channon and Long on the one hand withdrawing and

said Hinaman and McLean on the other hand adopting such tariffs and all effective supplements thereto.

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

IT IS HEREBY FURTHER ORDERED that said Hinaman and McLean within thirty(30) days after the effective date of this order shall file with the Commission a copy of the note as actually issued.

DATED at San Francisco, California this 23^d day of January, 1939.

Frank R. Swann
Ray H. Bailey
H. H. Miller
Justice J. Casner
COMMISSIONERS.

