

Decision No. 31770

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CARDWELL GRAIN & MILLING COMPANY,
to sell and Stanley R. James to buy
warehouse properties. }

Application No. 22502

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

This is an application for an order of the Railroad Commission authorizing E. S. Cardwell to sell to Stanley R. James certain warehouse properties located at Merced.

E. S. Cardwell, doing business under the firm name and style of Cardwell Grain & Milling Company, is engaged in the operation of public warehouses for the storage of grain at Merced and Chowchilla. It appears that he desires to withdraw from his Merced operations and accordingly has made arrangements to sell his warehouse properties located at that point to Stanley R. James.

The properties to be sold include a frame iron-clad building, 50 by 200 feet in dimension, together with mill equipment consisting of a barley crusher, grinder, cleaner, mixing machine and other equipment, located upon land leased from Southern Pacific Company. The original cost of the physical properties is reported at approximately \$17,000. and the present value is estimated at \$15,000.

The agreed consideration for the transfer of the properties is \$15,000., of which \$500. has been paid, \$4,500. is payable on or before March 1, 1939 and \$10,000. is payable at the rate of not less than \$2,000. a year with interest at the rate of six per cent. per annum, said \$10,000. to be represented by a promissory note secured by a mortgage of chattels on the warehouse and mill property and equipment to be sold.

A copy of the proposed mortgage of chattels to be executed by the purchaser was filed with the Commission on February 9, 1939. It appears to be in satisfactory form.

The Commission has considered this application and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of this note is reasonably required for the purpose specified herein and that the expenditure for such purpose is not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that E. S. Cardwell, doing business under the firm name and style of Cardwell Grain & Milling Company, be, and he hereby is, authorized to sell to Stanley R. James on or before April 30, 1939, his warehouse properties and equipment located at Merced and referred to herein.

IT IS HEREBY FURTHER ORDERED that Stanley R. James be, and he hereby is, authorized to execute, on or before April 30, 1939, a mortgage of chattels in or substantially in the same form as that filed with the Commission in this proceeding on February 9, 1939 and, in part payment for the properties herein authorized to be transferred to him, to issue a promissory note in the principal amount of \$10,000. payable in annual installments of \$2,000. commencing March 1, 1940 with interest at the rate of six per cent. per annum, provided that the authority herein granted to execute a mortgage of chattels is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the Public Utilities Act and is not intended as an approval of said mortgage of chattels as to such other legal requirements to which it may be subject.

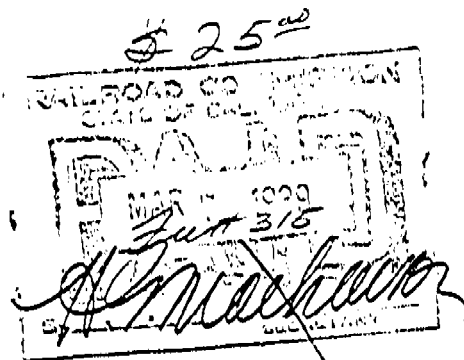
The authority herein granted is subject to the following conditions:-

1. Within thirty(30) days after the issue of the note herein authorized, Stanley R. James shall advise the Commission of that fact in writing.

2. Upon transfer of the properties as authorized herein, E. S. Cardwell shall issue and file with this Commission a supplement to his tariff now on file with the Commission cancelling the application of such tariff at Merced, and Stanley R. James shall issue and file with the Commission his own tariff naming rates, rules and regulations covering his operations in the properties to be acquired from E. S. Cardwell, which rates, rules and regulations shall be identical with those contained in the tariff now on file in the name of E. S. Cardwell for operations at Merced.

3. The authority herein granted shall become effective when Stanley R. James 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 20th day of February, 1939.



Stanley R. James
Edward S. Cardwell
Ray R. Ray
H. L. Lally
Justice J. Coakley
Commissioners.