

ORIGINAL

Decision No. 24183

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION
OF SOQUEL WAREHOUSE COMPANY, a
corporation, FOR ORDER AUTHORIZING
EXECUTION OF NOTE AND TRUST DEED.

Application No. 24183

BY THE COMMISSION:

OPINION AND ORDER

Soquel Warehouse Company is a corporation engaged in the business of conducting a warehouse and cold storage business in Soquel, Santa Cruz County. As of December 31, 1940, it reports its investment in properties and equipment, less reserves for depreciation, at \$39,654.01 and in current assets at \$3,791.84, making a total of \$43,445.85. Its outstanding indebtedness is reported at \$14,563.90, consisting of a \$7,000 long-term note, \$6,800 of demand notes and \$763.90 of accounts payable.

According to information filed with the Commission, the company was organized on or about January 5, 1938, and, shortly thereafter, issued a promissory note in the principal amount of \$9,000, dated May 2, 1938, and payable in annual installments of \$1,000 with interest at the rate of 6% per annum, for the purpose of financing in part the cost of constructing its warehouse building.

It is reported that during 1940, the company was able to refinance the \$7,000 note on more favorable terms. It there-

fore, on August 16, 1940, issued a new note for \$7,000 payable in annual installments of \$700 on the first day of September, 1941, and on each year thereafter until August 16, 1950, on which date the entire balance of principal and interest then unpaid shall become due and payable, with interest on said note, payable quarterly, at the rate of 6% per annum on deferred balances. A deed of trust was executed to secure the payment of the note. Copies of the deed of trust and note, dated August 16, 1940, have been filed in this proceeding.

The company did not obtain from this Commission authority to execute the deed of trust or the note. However, it appears that its failure to do so was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. When the necessity of obtaining such authority was called to its attention, it forthwith filed the present application for permission to execute a deed of trust and note.

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

IT IS HEREBY ORDERED that Soquel Warehouse Company, for the purpose of refunding outstanding indebtedness, be, and it hereby is, authorized to execute a deed of trust and a note in the principal amount of \$7,000, in, or substantially in, the same form as the deed of trust and note filed in this proceeding, said deed of trust and note to be in lieu of those dated August 16,

1940, executed without an order from this Commission, provided,

1. 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 it may be subject;

2. The authority herein granted will become effective when applicant 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 12th day of May, 1941.

[Signature]
Ray & Rice
Justus J. Coe
Francis K. Haven
[Signature]
Commissioners

\$ 25.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
PAID
MAY 17 1941
By [Signature]
SECRETARY