

ORIGINAL

Decision No. 24250

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

MARY E. DAVIS

for authority to sell her telephone property and to retire from the telephone business, and of

ORIAN F. CAMPBELL

to purchase said property and render telephone service in the territory involved, also to issue notes and to execute a mortgage to secure the same.

Application
No. 24250

BY THE COMMISSION:

OPINION AND ORDER

This is an application for an order of the Railroad Commission authorizing Mary E. Davis to sell and transfer her telephone properties at Kernville to Orian F. Campbell, and authorizing Orian F. Campbell to issue a note for \$10,000 and to execute a chattel mortgage and a real estate mortgage on said telephone properties to secure the payment of the note.

Mary E. Davis, doing business under the firm name and style of Kernville Telephone Company, has been engaged in operating a telephone exchange in Kernville, Kern County. For 1940, she reports operating revenues of \$2,892.64. Because of ill health, she desires to retire from the telephone busi-

ness and has made arrangements to dispose of her telephone properties to Orian F. Campbell for the sum of \$11,000. He is experienced in the telephone business and is now operating the properties for Mary E. Davis. Upon acquiring the same, he intends to install a new switchboard and some cable in order to give better service.

In part payment for the properties the purchaser proposes to issue to Mary E. Davis a promissory note in the principal amount of \$10,000, payable in annual installments of \$500, commencing on February 1, 1942, with interest on the unpaid principal at the rate of 5% per annum. The payment of the note will be secured by a chattel mortgage and a real estate mortgage, copies of which have been filed in this proceeding as Exhibits "C" and "D."

The Commission has considered the application and is of the opinion that a public hearing is not necessary and that the transfer should be authorized, subject to the provisions of this opinion and order, therefore,

IT IS HEREBY ORDERED that Mary E. Davis, doing business under the firm name and style of Kernville Telephone Company, be, and she hereby is, authorized to sell and transfer, on or before September 30, 1941, the telephone properties referred to in this application, to Orian F. Campbell, and Orian F. Campbell be, and he hereby is, authorized to acquire and operate said telephone properties, and to issue, in part payment for said telephone properties, a promissory note in the principal amount of \$10,000, payable in annual install-

ments of \$500, commencing on February 1, 1942, with interest, payable quarterly, on the unpaid balance at the rate of 5% per annum, and to execute a chattel mortgage and a real estate mortgage in, or substantially in, the same form as Exhibit "C" and Exhibit "D" filed in this proceeding, provided, however,

1. That the authority herein granted to execute a chattel mortgage and a real estate mortgage 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 instruments as to such other legal requirements to which they may be subject;

2. That the consideration paid by Orian F. Campbell for said telephone properties shall not be urged as a measure of value of said telephone properties for the purpose of fixing rates;

3. That within thirty (30) days after the sale and transfer of the telephone properties under the authority herein granted, Orian F. Campbell shall file with the Railroad Commission a certified copy of each instrument of conveyance under which he acquires and holds title to such properties and a copy of the note, a copy of the chattel mortgage, and a copy of the real estate mortgage to be executed by him in part payment for such properties;

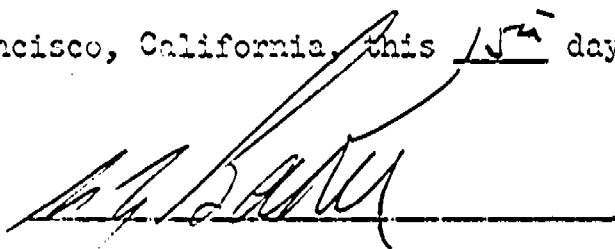
4. That Orian F. Campbell shall file with the Railroad Commission, in accordance with its General Order No. 68,

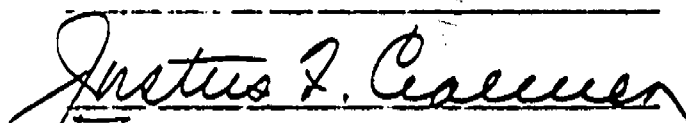


not later than the tenth day immediately preceding the transfer of said telephone properties, schedules of rates, rules and regulations for the telephone service to be rendered by him in the territory now being served by Mary E. Davis, and

5. That Orian F. Campbell shall not lower the present grade of telephone service nor increase any rates or charges for service unless authorized to do so by the Railroad Commission.

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

Dated at San Francisco, California, this 15th day of July, 1941.






Commissioners.

