

ORIGINAL

Decision No. 35085

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of

FRANK GLOBIN for an order author-  
izing him to borrow money and  
execute a promissory note and  
deed of trust therefor.

Application No. 24779

BY THE COMMISSION:

O P I N I O N

Frank Globin, hereinafter sometimes referred to as applicant, owns and operates a public utility water system for the purpose of distributing and selling water for domestic purposes in and in the vicinity of Al Tahoe, California.

Applicant also owns and operates at Al Tahoe, properties consisting of a hotel, cabins, restaurant, store and other properties incidental to the operation of a summer resort. The water system is being operated as an incident to the resort business. For the year 1941, applicant's gross revenues amounted to \$92,871.67. Of this amount, only \$1,432.75 was derived from the sale of water. Applicant's total operating expenses for 1941 aggregated \$93,878.23, of which \$1,315.60 is allocated to the water system.

On November 14, 1929, applicant borrowed \$44,885.24 from J. S. Goldie, and issued to said J. S. Goldie his 7% note. The payment of the note is secured by a mortgage on applicant's hotel and resort properties. Applicant has paid no interest on the note and has made no payments on the principal. He has from time to time, as necessary, waived the running of the Statute of Limitations on the note.

Said J. S. Goldie has recently agreed to accept \$34,500 as a compromise in full settlement of the amounts owing him as the principal and interest under the said note. The \$34,500 is to be evidenced by a 5% note and secured by a deed of trust which will be a lien on applicant's public utility water system and on his hotel and resort properties. A copy of the proposed note and a copy of the proposed deed of trust are filed in this proceeding as Exhibit "A." The \$34,500 is payable as follows:

- (a) \$7,500 on or before five years after the date of the note.
- (b) \$7,500 each year thereafter until 1951 at which time the entire unpaid balance becomes due and payable.
- (c) All outstanding amounts are to bear interest at the rate of 5% per annum, payable annually.

The Commission has considered this application and believes that insofar as it has jurisdiction over applicant's properties, it should authorize applicant to issue said note and execute a deed of trust to secure the payment of said note.

O R D E R

The Commission having considered the request of Frank Globin for permission to issue a note and execute a deed of trust and it being of the opinion that this is not a matter on which a hearing is necessary; that the issue of a note for the sum of \$34,500 by said Frank Globin for the purpose of refunding indebtedness is reasonably required by said Frank Globin, and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that Frank Globin be, and he is hereby, authorized to issue, after the effective date hereof and on or before June 30, 1942, to J. S. Goldie a note for the sum of not exceeding \$34,500, said note to be in substantially the same form as the note filed in this proceeding as Exhibit "A," and to secure the payment of such note by the execution of a deed of trust in substantially the same form as the deed of trust filed in this proceeding as Exhibit "A," provided that the authority herein granted to execute said 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 Frank Globin shall use the proceeds realized through the issue of said \$34,500 note to refund and pay the principal and interest due on the note to which reference is made in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Frank Globin has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Thirty-five (\$35.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said note, Frank Globin shall file with the Railroad Commission a copy of the note issued under the authority herein granted and a true and correct copy of the deed of trust executed under said authority, together with a statement showing the purposes for which he expended the proceeds realized through the issue of said \$34,500 note.

Dated at Los Angeles, California, this 3rd day of March, 1942.

Justin Z. Casper  
Ray S. Pacey  
H. H. Baker  
Francis R. Havenner  
Richard H. Hulse  
Commissioners.

