

ORIGINAL

Decision No. 36158

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the
Application of

GARDINER IMPROVEMENT CO.
a corporation, for order,
authorization and per-
mission to execute a deed
of trust and a chattel
mortgage.

Application No. 25475

BY THE COMMISSION:

O P I N I O N

Gardiner Improvement Co. asks permission to issue a 5% installment note in the principal sum of \$123,101.50 and to execute a deed of trust and a mortgage of chattels, which will be liens on public utility water properties, to secure the payment of the note. A copy of the deed of trust is filed in this proceeding as Exhibit "A" and a copy of the mortgage of chattels as Exhibit "B."

Gardiner Improvement Co., a California corporation, is engaged in the business of merchandising, farming, and operating a public utility water system. Its water works' properties serve the community of Isleton, Sacramento County, California.

As of September 30, 1942, applicant's total assets,

undepreciated, are reported at a cost of \$917,653.26. Included in this figure is the cost of its water works' properties, reported at \$51,243.13. Applicant's investment in its water works' properties is less than 5% of its total investment.

The principal of the \$123,101.50 note is payable in installments of \$10,000 annually for five years and the balance is payable five years after the date of the note. The note will be issued to the Bank of America National Trust & Savings Association. Its payment will be secured not only by the deed of trust and the mortgage of chattels herein authorized to be executed but also by a deed of trust and a crop and chattel mortgage covering other properties of Gardiner Improvement Co.

The amount of the note represents the balance due on a \$200,000 loan obtained in 1937 from the Bank of America, now Central Bank. The money was borrowed to pay expenses and maintain and operate all of applicant's properties.

ORDER

The Commission having considered the request of Gardiner Improvement Co. for permission to issue a note in the principal sum of \$123,101.50 and execute a deed of trust and a mortgage of chattels and it being of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor obtained through the issue of said note is reasonably required by Gardiner Improvement Co.

for the purpose of paying indebtedness, and that this application should be granted subject to the provisions of this Order, therefore

IT IS HEREBY ORDERED as follows:

1. Gardiner Improvement Co. may, after the effective date hereof and on or before April 30, 1943, issue to the Bank of America National Trust & Savings Association, its promissory note in the principal amount of \$123,101.50, said note to bear interest at the rate of 5% per annum, and the principal thereof to be payable at the rate of \$10,000 per annum for a period of five years and the balance five years after the date of the note.

2. Gardiner Improvement Co. may, after the effective date hereof and on or before April 30, 1943, execute a deed of trust and a mortgage of chattels substantially in the same form as the deed of trust and mortgage of chattels filed in this proceeding as Exhibits "A" and "B," respectively, provided that the authority herein granted to execute a deed of trust and a mortgage of chattels 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 and mortgage of chattels as to such other legal requirements to which said deed of trust and mortgage of chattels may be subject.

3. The authority herein granted will become effective when Gardiner Improvement Co. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred Twenty-four (\$124.00) Dollars.

4. Within thirty (30) days after the issue of the note herein authorized, Gardiner Improvement Co. shall file with the Railroad Commission a true and correct copy of said note and a true and correct copy of the deed of trust and the mortgage of chattels executed under the authority herein granted, together with a statement showing the purpose or purposes for which it expended the proceeds realized through the issue of said note.

Dated at San Francisco, California, this 9th day of February, 1943.

Francis A. Havenner

J. B. K. H.

Justus J. Casper

Richard L. Chase

Frank B. ...

Commissioners.

