

Decision No. 36717

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of

RICHARDS TRUCKING & WAREHOUSE CO., a
corporation, for an order authorizing
the issuance of an evidence of in-
debtedness and a chattel mortgage.

Application No. 25862

BY THE COMMISSION:

OPINION AND ORDER

Richards Trucking & Warehouse Co. asks permission to execute a chattel mortgage to secure the payment of \$10,472.48 due Martin H. Richards and to issue a note to him for that amount.

Applicant's petition shows that said Martin H. Richards has heretofore advanced to applicant \$10,472.48, which sum was used by applicant for the following purposes:

- a. \$6,900.00 - to pay balance due on purchase price of equipment.
- b. \$1,200.00 - to pay delinquent taxes.
- c. \$2,372.48 - to pay accounts payable.

Applicant's petition further shows that on or about December 10, 1941 it, without permission from the Commission, issued to Martin H. Richards its note for \$10,472.48 and executed a chattel mortgage to secure the payment of the note. A copy of the note and chattel mortgage are on file in this application as

Exhibit A. The indebtedness bears interest at the rate of 6% per annum, payable monthly, while the principal is payable in monthly installments of \$174.55. In view of the fact that applicant did not obtain permission from the Commission to issue the note and execute the chattel mortgage, we believe that the note and chattel mortgage are void under the provisions of Sections 51 and 52 of the Public Utilities Act. We will authorize applicant to execute a new chattel mortgage and a new note. The mortgage will be a lien on two trucks, five tractors and twenty trailers, having a reported value of about \$18,000.

The Commission has considered applicant's request for permission to execute a chattel mortgage and issue a promissory note in the sum of \$10,472.48 for the purpose of refunding \$10,472.48 of indebtedness due to Martin H. Richards, and is of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured by applicant through the issue of said \$10,472.48 note is reasonably required for the purposes herein stated, and that this application should be granted subject to this Opinion and Order, therefore,

IT IS HEREBY ORDERED as follows:

1. Richards Trucking & Warehouse Co. may, after the effective date hereof and on or before December 31, 1943, execute a chattel mortgage to secure the payment of an installment note in the principal sum of not exceeding \$10,472.48, and issue an installment note for said amount, said chattel mortgage and said installment note to be in substantially the same form as the chattel mortgage and installment note on file in this application as Exhibit A.

2. Richards Trucking & Warehouse Co. shall use the

proceeds realized through the issue of said \$10,472.48 note to refund indebtedness due Martin H. Richards.

3. The authority herein granted to execute a chattel mortgage is subject to the condition that said authority is granted 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 chattel mortgage as to such other legal requirements to which said chattel mortgage may be subject.

4. The authority herein granted will become effective when Richards Trucking & Warehouse Co. has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

5. Within thirty (30) days after the execution of the chattel mortgage herein authorized, Richards Trucking & Warehouse Co. shall file with the Railroad Commission a true, correct and complete copy of the chattel mortgage executed and of the note issued under the authority herein granted, together with a statement showing the purpose or purposes for which it expended the moneys realized through the issue of said note.

Dated at San Francisco, California, this 23rd day of November, 1943.

Francis J. Havens
J. J. [unclear]
Justus J. [unclear]
Richard [unclear]
Francis W. [unclear]
Commissioners

