

Decision No. 37115

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Application of ECKHART SEED COMPANY  
for a Permit to borrow as advance  
under deed of trust and mortgage.

Application No. 26167

BY THE COMMISSION:

**ORIGINAL**

O P I N I O N

Eckhart Seed Company asks permission to issue to Monterey County Trust & Savings Bank its 6%, \$20,000 note, payable on demand, or if no demand is made, in annual installments of \$2,300. The interest is payable quarterly. A copy of the note is filed in this application as Exhibit "A." The payment of the note will be secured by the deed of trust and mortgage of chattels executed under the authority granted by Decision No. 37026, dated May 2, 1944.

Applicant intends to use the proceeds of the note for the following improvements to its properties:

- (1) An additional warehouse adding to their warehouse No. 4 an additional capacity of 20,000 bags. Cost \$ 5,000.00
  - (2) Spur track from Southern Pacific Company. Cost estimated 10,000.00
  - (3) Two automatic scale machines:
    - a. Purchase price 2,500.00
    - b. Installation cost 2,500.00
- Total . . . . . \$20,000.00

In the event applicant is unable to obtain the necessary permits to build the spur track, it will borrow only \$10,000.

Applicant is engaged in the operation of a warehouse and in the seed business at Salinas, California. It desires to construct

an extension to its warehouse building in order to take advantage of a contract with Washburn-Wilson Company for seed packaging.

C O R D E R

The Commission having considered applicant's request and it being of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured or paid for by the issue of said note is reasonably necessary by applicant for the purposes herein stated, that the expenditures for said purposes are not in whole, or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this Order, therefore,

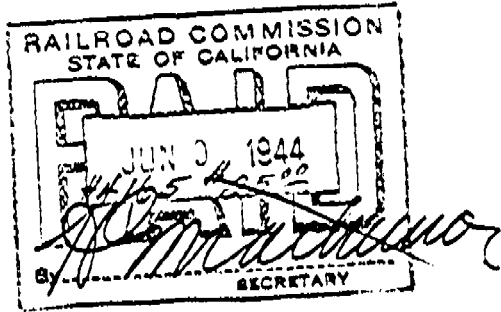
IT IS HEREBY ORDERED that Eckhart Seed Company be, and it is hereby, authorized to issue after the effective date hereof and on or before December 31, 1944 to Monterey County Trust & Savings Bank its 6% note or notes for the aggregate sum of not exceeding \$20,000, said note or notes, except for the face amount thereof if more than one note is issued, to be in substantially the same form as the note filed in this application as Exhibit "A." Eckhart Seed Company shall use the proceeds realized through the issue of said note or notes for the following purposes:

(1) To pay the cost of an addition to warehouse No. 4, about	\$ 5,000.00
(2) To pay the cost of a spur track from Southern Pacific Company lines, about	10,000.00
(3) For two automatic scale machines.	
a. Purchase price about	2,500.00
b. Installation cost about	<u>2,500.00</u>
Total . . . . .	\$20,000.00

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

IT IS HEREBY FURTHER ORDERED that within six months after the issue of said note or notes Eckhart Seed Company shall file with the Railroad Commission a copy of each note, together with a statement showing the purposes for which it expended the proceeds realized through the issue of each note.

Dated at San Francisco, California, this 6<sup>th</sup> day of June, 1944.



Richard Lachs  
Justin F. Coe  
Francis R. Havenner  
Stanley C. ...  
Grant ...  
Commissioners