

Decision No. 37380

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Application of ECKHART SEED COMPANY
For Order Authorizing Encumbrance.

Application
No. 26167

BY THE COMMISSION:

SUPPLEMENTAL OPINION

The Commission by Decision No. 37115, dated June 6, 1944, as amended by Decision No. 37213, dated July 18, 1944, authorized C. H. Eckhart, Sr., Howard C. Eckhart, and C. H. Eckhart, Jr., copartners, doing business under the firm name of Eckhart Seed Company to issue to Monterey County Trust & Savings Bank their 6% note or notes in the principal sum of \$23,500 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 Lines, about	13,500.00;
(3) For 2 automatic scale machines:	
(a) Purchase price, about	2,500.00
(b) Installation cost, about	<u>2,500.00</u>
Total	\$23,500.00

The Commission also authorized applicants to execute a deed of trust and chattel mortgage to secure the payment of such note or notes.

In a second supplemental application filed in this proceeding on September 13 applicants report that they have constructed the addition to warehouse No. 4 and have purchased the scaling machines. The plans for the spur track have been changed and its cost is now estimated at \$4,000. They also report that they desire to expend \$7,500 for the purchase and installation of cleaning equipment. They therefore ask the Commission to modify said decision and permit them to issue to Monterey County Trust & Savings Bank a note for the sum of \$7,500 to purchase and install the cleaning equipment. They further request that they be permitted to add to the chattel mortgage heretofore executed the following properties:

2	- Cleaners (Patterned after Clipper No. 29)	\$ 2,000.00
1	- Gravity Machine with 7½ HP motor #388445	900.00
120	- Adobe rolls	4,200.00
2	- 7½ HP motors #205605 & #220801	120.00
1	- 5 HP Motor #1915365	60.00
1	- Polisher	250.00
4	- Elevators	600.00
1	- Automatic Scale	250.00
	Installation Cost	<u>3,500.00</u>
	Total	\$11,880.00

The cleaning equipment which applicants desire to finance through the issue of the note is essential and necessary in the operation of their business.

SECOND SUPPLEMENTAL ORDER

The Commission has considered applicants' request for a modification of Decision No. 37115, dated July 6, 1944, as amended by Decision No. 37213, dated July 18, 1944, and is of the opinion that this is not a matter on which a hearing is necessary; that applicants have need for the money, property or labor which they will procure through the issue of the note herein authorized, and that applicants' second supplemental application should be granted, therefore,

IT IS HEREBY ORDERED that the Commission's Order and Decision No. 37115, dated June 6, 1944, as amended by Decision No. 37218, dated July 18, 1944, be, and the same is hereby, amended so as to read:

IT IS HEREBY ORDERED that C. H. Eckhart, Sr., Howard C. Eckhart, and C. H. Eckhart, Jr., copartners, doing business under the firm name of Eckhart Seed Company, be, and they are hereby, authorized to issue on or before December 31, 1944, to Monterey County Trust & Savings Bank their 6% note or notes for the aggregate principal sum of not exceeding \$21,500, said note or notes, except for the face amount thereof, to be in substantially the same form as the note filed in this application as Exhibit "A." Said applicants shall use the proceeds realized through the issue of said note or notes for the following purposes:

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| (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 to Southern Pacific Lines, about | 4,000.00 |

(3)	2 automatic scale machines:	
	(a) Purchase price, about	\$ 2,500.00
	(b) Installation cost, about	2,500.00
(4)	For cleaning equipment and its installation, about	<u>7,500.00</u>
	Total	\$21,500.00

IT IS HEREBY FURTHER ORDERED that applicants may execute unto Monterey County Trust & Savings Bank a new or additional chattel mortgage, including the additional personal property mentioned in the foregoing Opinion for the purpose of securing the payment of said note issued to said Monterey County Bank & Trust Company.

IT IS HEREBY FURTHER ORDERED that the Order in said Decision No. 37115, dated June 6, 1944, as amended by Decision No. 37213, dated July 18, 1944, shall remain in full force and effect except as amended by this Second Supplemental Order.

Dated at San Francisco, California, this 3rd day of October, 1944.

Justice F. Casner
Francis C. Havens

Walter Powell
Commissioners