

Decision No. 37400

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of J. T. SHIPLEY and ANNA COLE SHIPLEY, Owners of RIPON TELEPHONE EXCHANGE, for an order authorizing the sale of their telephone property to TALBOT KENDALL and SALLIE KENDALL, husband and wife, and the latter to mortgage the property.

Application No. 26388

BY THE COMMISSION:

O P I N I O N

J. T. Shipley and Anna Cole Shipley, owners of Ripon Telephone Exchange, ask permission to sell their public utility telephone properties to Talbot Kendall and Sallie Kendall, husband and wife. The Purchasers through stock ownership control Manteca Telephone Company and operate the properties of that company.

The Ripon Telephone Exchange properties consist of three lots situate in the Town of Ripon, a two-position telephone switchboard with a 100 line capacity, 432 telephone stations, about thirty-five miles of pole line, about 187 miles of wire, a Dodge truck, materials and supplies, and the telephone business. The properties are used to furnish tele-

phone and telegraph service in the Town of Ripon and vicinity. They are more completely described in the Bill of Sale filed in this application as Exhibit "A."

The Sellers report operating revenues for 1943 in the amount of \$11,478.81 and for 1942, operating revenues of \$10,286.68. They further report their investment in telephone properties, as of December 31, 1943, at \$29,920.96 and a depreciation reserve of \$15,477.70.

The Purchasers have agreed to pay for the Ripon Telephone Exchange properties \$38,000. Of this sum, \$18,000 will be paid in cash. The remainder will be paid by the issue of a note by Talbot Kendall in the principal sum of \$20,000 of which \$5,000 is payable on or before five years after date and \$15,000 on or before ten years after date. The note bears interest at the rate of 6% per annum. The payment of the note will be secured by a deed of trust and a mortgage of chattels which will be a lien on the Ripon Telephone Exchange properties. A copy of the note and a copy of the mortgage of chattels and deed of trust are on file in this application as Exhibits "C" and "D," respectively. The Purchasers ask permission to issue the note and execute a mortgage of chattels and deed of trust.

The Order herein will authorize the sale of the Ripon Telephone Exchange properties but it does not authorize the Purchasers of the properties to charge to Telephone Plant accounts, the price which they are paying for the properties. The books of accounts kept by the Sellers should be transferred to the Purchasers and continued by the Purchasers. Any adjustments on such books to correct erroneous charges should

be submitted to the Commission for its approval.

The transfer of the properties does not involve any change in the telephone rates charged by Sellers. The Sellers desire to retire and do not feel able to carry on the responsibilities of operating the Ripon Telephone Exchange properties. The Purchasers, as said, are now operating the Manteca Telephone Company properties and report that they are financially and otherwise able to carry on the operations of the Ripon Telephone Exchange properties.

#### O R D E R

The Commission has considered applicants' request 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 or paid for by the issue of the note herein authorized is reasonably required for the purpose specified in this Order, and that this application should be granted as herein provided, therefore

IT IS HEREBY ORDERED as follows:

1. J. T. Shipley and Anna Cole Shipley may, after the date hereof and on or before December 31, 1944, sell to Talbot Kendall and Sallie Kendall, husband and wife, the public utility telephone properties being operated under the name of Ripon Telephone Exchange, and more completely described in the Contract of Sale filed in this application as Exhibit "A," which Contract of Sale applicants are hereby authorized to execute. Talbot Kendall and Sallie Kendall, husband and wife,

may purchase and operate said properties.

2. Talbot Kendall may, after the effective date hereof and on or before December 31, 1944, issue to J. T. Shipley and Anna Cole Shipley his promissory note in the principal sum of not exceeding \$20,000 for the purpose of paying, in part, the purchase price of said Ripon Telephone Exchange properties, said note to be in the same form as the note filed in this application as part of Exhibit "C."

3. Talbot Kendall and Sallie Kendall, husband and wife, may, after the effective date hereof and on or before December 31, 1944, execute a mortgage of chattels and a deed of trust for the purpose of securing the payment of said note, said mortgage of chattels and said deed of trust to be in the same form as the mortgage of chattels and the deed of trust on file in this application as Exhibits "C" and "D," respectively.

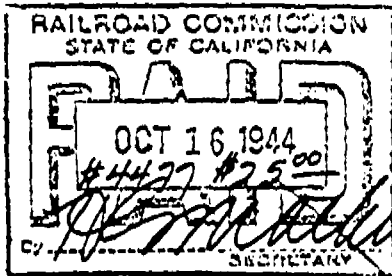
4. Talbot Kendall and Sallie Kendall, husband and wife, shall file with the Railroad Commission, not later than thirty (30) days after the transfer of said properties, a notice that they adopt the tariff schedule including rules and regulations then operative in the service territory of Ripon Telephone Exchange.

5. The action taken herein will not be construed to be a finding of value for any purpose other than the proceeding herein involved.

6. The authority herein granted will become effective when Talbot Kendall has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

7. Within thirty (30) days after the sale and transfer of the properties herein authorized, Talbot Kendall and Sallie Kendall, husband and wife, or either of them, shall file with the Railroad Commission a true and correct copy of the Contract of Sale executed under the authority herein granted, a true and correct copy of the mortgage of chattels, and a true and correct copy of the deed of trust executed under the authority herein granted.

Dated at San Francisco, California, this 13<sup>th</sup> day of October, 1944.



Richard B. Baker  
Justice J. Casper  
Francis R. Havenner  
Frank W. Brown  
Lawrence  
Commissioners.