

Decision No. 37994

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Sacramento River Warehouse Company,
a corporation, to sell and J. S.
Clare, dba The Butte City Warehouse
Company, to purchase Warehouses and
Equipment.

ORIGINAL

Application
No. 26726

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 37911, entered in the above entitled matter on May 22, 1945, the Railroad Commission authorized Sacramento River Warehouse Company, a corporation, to sell certain public utility warehouse properties to J. S. Clare, and authorized J. S. Clare to execute a deed of trust, a mortgage of chattels and promissory notes aggregating \$45,000 to finance, in part, the purchase price, which purchase price was stated at \$50,000.

It now appears that arrangements had been made for the purchase by J. S. Clare, for \$30,000, of certain non-utility properties, consisting of a rice drying plant and grain cleaning equipment owned by Butte City Drying Co., a co-partnership composed of W. P. Dwyer, T. R. Dwyer and P. G. Dwyer, in addition to said public utility warehouse properties owned by Sacramento River Warehouse Company. Of the total purchase price of \$80,000 for all the properties, both utility and non-utility, the purchaser proposed to pay \$20,000 in cash and to obtain \$45,000 through the

execution of the instruments authorized by Decision No. 37911, and \$15,000 through the issue of a note secured by a mortgage on the non-utility property only.

The transfer and encumbrance of non-utility property can be effected without an order from this Commission. However, the lender of the \$15,000 has requested that the payment of his note be secured by a mortgage which will be a second lien on the public utility warehouse property to be acquired by J. S. Clare, as well as the non-utility property. Accordingly, the approval of the Commission to the execution of the instrument is required.

A copy of the second mortgage, in the form now proposed, containing a copy of the note for \$15,000, was submitted to the Commission on June 13, 1945. The Commission has considered the matter and is of the opinion that the request should be granted, as herein provided, and that the money, property or labor to be procured or paid for is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that J. S. Clare be, and he hereby is authorized, on or before August 15, 1945, to execute a mortgage in, or substantially in, the same form as that filed with the Commission on June 13, 1945, and to issue a note in the principal amount of \$15,000 payable in annual installments of \$2,000, with interest on deferred payments at the rate of 6 per cent per annum, for the purpose of financing in part the purchase price of the properties referred to herein.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when J. S. Clare has paid the

minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.

IT IS HEREBY FURTHER ORDERED that J. S. Clare shall file with the Commission, on or before August 31, 1945, a report as required by the Railroad Commission General Order No. 24-A.

IT IS HEREBY FURTHER ORDERED that the time within which Sacramento River Warehouse Company may transfer properties and J. S. Clare may execute a deed of trust, mortgage of chattels and promissory notes under the authority granted by Decision No. 37911, dated May 22, 1945, be and it hereby is extended to and including August 15, 1945, provided that in other respects the order in said Decision No. 37911 shall remain in full force and effect.

Dated at San Francisco, California, this 19th day of June, 1945.

Harold Anderson
Justice J. C. Spencer
Charles H. Baker
Frank B. Kern
Wm. H. Lawrence
 Commissioners

