



applicant's intention to exercise its option to purchase the land.

Applicant filed its warehouse tariffs on September 28, 1945, effective October 3, 1945. For the period ending May 31, 1946, it reports revenues from all sources of \$25,390.87, while for the period June 1, 1946, to October 31, 1946, its revenues were \$44,313.71.

As of October 31, 1946, applicant reports assets and liabilities as follows:

<u>Assets</u>	
Fixed assets	\$262,347.91
Organization expenses	14,261.17
Current assets	24,585.84
Prepaid charges	<u>2,625.21</u>
Total assets	<u>\$303,820.13</u>
<u>Liabilities</u>	
Capital stock	\$ 24,000.00
Installment note payable to American Trust Company, including accrued interest	107,064.03
Note due contractors, including accrued interest	25,916.66
Notes due stockholders, including accrued interest	115,380.00
Current liabilities	24,884.19
Deferred credits	3,463.97
Surplus	<u>3,111.28</u>
Total liabilities	<u>\$303,820.13</u>

To finance the acquisition and construction of its warehouse properties and equipment and to conduct its business, applicant issued 2,400 shares of no par value stock at \$10 per share, and borrowed from its stockholders \$108,000 represented by notes bearing interest at the rate of 6% per annum. It also borrowed from the American Trust Company and the Reconstruction Finance

Corporation, on an installment note, \$120,500. It borrowed from the American Trust Company on short term notes \$21,500. On the notes issued to the American Trust Company it made principal payments of \$17,500, leaving unpaid \$124,500. On some of the notes, the interest rate is 4%, on others 5%. The accrued interest on the notes is reported at \$2,480.69. It also issued to contractors notes in the sum of \$25,000, which notes bear interest at the rate of 5% per annum. The payment of the notes issued to the contractors and the payment of the notes issued to the stockholders are subordinated to the payment of the note due American Trust Company and Reconstruction Finance Corporation. The contractors have agreed to discount the notes held by them at 10% and waive the interest accruals.

Applicant proposes to pay its outstanding note indebtedness, other than the amount due its stockholders. To place itself in a position to do so, it asks permission to issue to The Capital National Bank of Sacramento two notes, one for \$30,000 and the other for \$120,000. Both notes will bear interest at the rate of 4½% per annum, payable monthly. The payment of the \$30,000 note will be secured by a chattel mortgage on applicant's machinery and equipment, while the payment of the \$120,000 note will be secured by a deed of trust on applicant's buildings and structures. The two notes are payable in installments as follows:

	\$30,000.00 <u>Chattel Mortgage</u>	\$120,000.00 <u>Mortgage on Buildings</u>	<u>Total</u>
Dec. 31, 1947	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00
" " 1948	5,000.00	5,000.00	10,000.00
" " 1949	5,000.00	10,000.00	15,000.00
" " 1950	5,000.00	10,000.00	15,000.00
" " 1951	5,000.00	15,000.00	20,000.00
" " 1952	5,000.00	15,000.00	20,000.00
" " 1953		20,000.00	20,000.00
" " 1954		20,000.00	20,000.00
" " 1955		20,000.00	20,000.00
	<u>\$30,000.00</u>	<u>\$120,000.00</u>	<u>\$150,000.00</u>

The payment of the notes held by stockholders will be subordinated to the payment of the note to be issued to The Capital National Bank of Sacramento.

Applicant has filed in this proceeding as Exhibit "3" a copy of the proposed promissory note in the principal sum of \$120,000, as Exhibit "4" a copy of the proposed promissory note in the principal sum of \$30,000, as Exhibit "5" a copy of the proposed deed of trust, and as Exhibit "6" a copy of the proposed chattel mortgage. We have reviewed these documents and find the same to be in satisfactory form.

The refunding of applicant's indebtedness, to which reference is made herein, will reduce its principal and interest payments and will provide a more convenient amortization of its indebtedness.

O R D E R

The Commission has considered applicant's 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 notes herein authorized is reasonably required by Riverside Elevators for the purposes herein stated, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Riverside Elevators may, after the effective date hereof and on or before February 28, 1947, issue to The Capital

National Bank of Sacramento its 4½% installment note for the principal sum of not exceeding \$120,000, and execute a deed of trust to secure the payment of such note, said note and said deed of trust to be in, or substantially in, the same form as the note and deed of trust filed in this proceeding as Exhibits "3" and "5", respectively.

2. Riverside Elevators may, after the effective date hereof and on or before February 28, 1947, issue to The Capital National Bank of Sacramento its 4½% installment note for the principal sum of not exceeding \$30,000, and execute a chattel mortgage to secure the payment of said note, said note and said chattel mortgage to be in, or substantially in, the same form as the note and chattel mortgage filed in this proceeding as Exhibits "4" and "6", respectively.

3. Riverside Elevators shall use the proceeds realized through the issue of said notes to pay the balances due on notes issued to the American Trust Company and/or Reconstruction Finance Corporation, and to pay notes due contractors, to which reference is made in its application.

4. The authority herein granted will become effective when Riverside Elevators has paid the fee prescribed by Section 57 of the Public Utilities Act; which fee is One Hundred Fifty (\$150.00) Dollars.

5. Riverside Elevators shall file a report, or reports, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

6. Within thirty (30) days after the issue of said notes, Riverside Elevators shall file with the Commission a true and correct copy of the notes issued under the authority herein granted, and a true and correct copy of the deed of trust and of the chattel mortgage executed under such authority.

Dated at San Francisco, California, this 16<sup>th</sup> day of December, 1946.

Harold P. Huls  
Justin J. Green  
Thomas Owen  
Frank H. Farrell  
A. J. [Signature]  
Commissioners

