

ORIGINAL

Decision No. 42358

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)

of)

ALLAN V. SCHILLER and PAUL D. TOFT for an order authorizing Paul D. Toft to sell to said Allan V. Schiller an undivided one-half interest in that certain business now conducted by Allan V. Schiller and Paul D. Toft under the name and style of The Lassen Telephone Company.)

Application No. 29903

O P I N I O N

This is an application for an order authorizing Paul D. Toft to sell to Allan V. Schiller an undivided one-half interest in The Lassen Telephone Company.

The application shows that Paul D. Toft and Allan V. Schiller, as partners, are engaged in operating a telephone system in and about the Town of Buntingville, Lassen County. They conduct the business under the firm name and style of The Lassen Telephone Company. Reports filed with the Commission show the operating revenues of the business at \$9,273 in 1946 and at \$9,025 in 1947, with net income for the two periods of \$1,207 and \$402, respectively. The present owners report their investment in telephone plant, less depreciation, at \$17,074 as of November 1, 1948.

Applicants report that the operations do not justify the ownership by two persons and that accordingly applicant Toft has agreed to sell his one-half interest in the properties to

applicant Schiller, who then will become the sole owner.

Applicant Schiller has agreed, in consideration for the sale of said one-half interest, to pay to said Toft the sum of \$4,000, to assume the unpaid balance of \$2,883.51 as of October 31, 1948, on a note issued in favor of George R. Pyle by Toft when he acquired his interest in the properties, and to assume the unpaid balance, reported at \$7,000, against the properties which is represented by a note held by Ella Hoffman. The note for \$2,883.51 is payable in monthly installments of \$30 or more, with interest at the rate of 5% per annum, and the note for \$7,000 is payable in annual installments of \$1,000, with interest at the rate of 5% per annum, and is secured by a deed of trust and a mortgage of chattels. (1)

Of the \$4,000 agreed payment, applicant Schiller will pay \$500 in cash and will issue a note for the remaining \$3,500, said note to be payable in monthly installments of \$35 or more, plus interest at the rate of 5% per annum. Applicant Schiller will execute a second deed of trust and a second mortgage of chattels to secure the payment of said note and the payment of the note in favor of George R. Pyle, which at present is unsecured.

Copies of the proposed instruments have been filed in this proceeding.

(1)

The note for \$7,000 (originally \$8,000) was issued by Allan V. Schiller and George R. Pyle on July 1, 1947, to Ella Hoffman in payment for the telephone system, under authority granted by Decision No. 40135, dated April 8, 1947.

The note for \$2,883.51 (originally \$3,000) was issued by Paul D. Toft on May 19, 1948, to George R. Pyle in part payment for his interest in the business, under authority granted by Decision No. 41541, dated May 4, 1948.

ORDER

The Public Utilities Commission having considered this application and it being of the opinion that a public hearing thereon is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of a note for \$3,500 is reasonably required by Allan V. Schiller for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Paul D. Toft, after the effective date hereof and on or before February 28, 1949, may sell, transfer and convey to Allan V. Schiller an undivided one-half interest in the properties comprising The Lassen Telephone Company on the terms and conditions set forth in this application.

2. Allan V. Schiller, if he acquires said one-half interest, shall file or adopt in his own name the rates, rules and regulations now on file in the name of the partnership, governing service rendered by The Lassen Telephone Company. Upon the acquisition of said one-half interest by Allan V. Schiller, Paul D. Toft is relieved of his public utility obligations to supply telephone service.

3. Allan V. Schiller, in part payment for said one-half interest, may assume the payment of the notes in favor of George R. Pyle and Ella Hoffman, referred to in the preceding opinion, may issue a note in the principal amount of \$3,500 payable in monthly installments of \$35 or more, plus interest at the

rate of 5% per annum, and may execute a deed of trust and a mortgage of chattels in, or substantially in, the same form as those filed in this proceeding.

4. Allan V. Schiller shall advise the Commission in writing, on or before March 31, 1949, of the action taken by him under the authority herein granted, with respect to the notes he is herein authorized to assume and issue.

5. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

6. The authority herein granted will become effective when Allan V. Schiller has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 28th day of December, 1948.

R. T. Johnson
Justus F. Calver
Henrich Pottel

Commissioners

