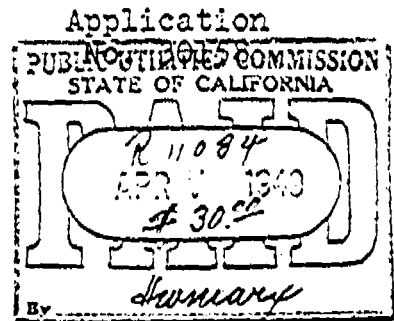


ORIGINAL

Decision No. 42685

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
A. T. FUGITT, for an order to trans- :  
fer an undivided one-half interest )  
in certain real and personal prop- :  
erty from A. T. FUGITT to DOUGLAS )  
V. HENSLEY. :  
----- )



OPINION AND ORDER

This application shows that A. T. Fugitt and J. B. Minatta, co-partners, are engaged in operating a warehouse known as the Rhodes Warehouse located at Rhodes Station, San Joaquin County, California; that A. T. Fugitt desires to retire from said business because of ill health; and that, accordingly, he has made arrangements to sell his undivided one-half interest in the properties to Douglas V. Hensley for the sum of \$40,000.

Of the agreed purchase price, \$10,000 is payable on or before April 1, 1949, and the balance, or the sum of \$30,000, is payable in installments of \$3,000 a year, or more, plus interest at the rate of 5% per annum, on the first day of April of each and every year beginning April 1, 1950, and continuing thereafter until the entire sum has been paid. In this connection, however, it has been mutually agreed that the entire sum of \$30,000, plus interest at the rate of 5% per annum, shall not be paid in less than five years from April 1, 1949, and further, that no more than \$6,000, plus interest, shall be paid in any one year after April 1, 1949. The payment of the \$30,000 will be represented by a note secured by

a deed of trust and a chattel mortgage covering the one-half interest, to be conveyed by A. T. Fugitt, in the real and personal property. A copy of the deed of trust and chattel mortgage are on file in this application.

The 1948 annual report filed by the present partners shows public utility warehouse operating revenues at \$4,823.04 and nonutility revenues at \$193,585.05 with net income of \$23,365.97 after all charges, excluding, however, an allowance for federal income taxes. The report further shows the net investment in real and personal property at \$40,603.19 and in net current assets at \$20,190.41, a total of \$60,793.60. Exhibit "B" attached to the application shows that A. B. Eichelberger, inheritance tax appraiser for the County of San Joaquin, has estimated the present day market value of the real and personal property on January 29, 1949, at \$130,343.00.

The Commission has considered this application and is of the opinion that a public hearing thereon is not necessary and that the application should be granted, as herein provided. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred. In the opinion of the Commission, the money, property or labor to be procured or paid for through the issue of the note and the execution of the deed of trust and chattel mortgage is reasonably required by Douglas V. Hensley 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. A. T. Fugitt, after the effective date hereof and on or before April 30, 1949, may transfer to Douglas V. Hensley his undivided one-half interest in the properties and business referred to herein.

2. Douglas V. Hensley, after the effective date hereof and on or before April 30, 1949, may issue a note for \$30,000 and execute a deed of trust and a chattel mortgage in, or substantially in, the same form as the note, deed of trust and chattel mortgage filed in this proceeding, to finance in part the purchase price of said undivided one-half interest in the properties and business herein authorized to be transferred.

3. Applicants shall, on not less than five (5) days' notice to the Commission and the public, supplement or reissue the Rhodes Warehouse tariff on file with the Commission to show that A. T. Fugitt has withdrawn from said Rhodes Warehouse tariff and that Douglas V. Hensley concurrently has become a party to said Rhodes Warehouse rates, rules and regulations. The tariff filings made pursuant to this order shall, in all respects, comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

4. Douglas V. Hensley shall file with the Commission a copy of the instrument of conveyance under which he receives title to said one-half interest, and a copy of the note as actually issued, such filings to be made within thirty (30) days after the transfer of the one-half interest in the properties and business.

5. The authority herein granted will become effective when Douglas V. Hensley has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is thirty (\$30.00) dollars.

Dated at San Francisco, California, this 5<sup>th</sup> day of April, 1949.

R. Z. Friedman  
Justice F. Wallace  
Gregg R. Pierce  
Harold P. Kula

Commissioners

