

ORIGINAL

Decision No. 42745

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of CECIL H. FOWLER and HAZEL DEL	:	
FOWLER, a co-partnership, doing)	
business as C. H. FOWLER WAREHOUSE	:	Application
AND ELEVATOR, for Order Authorizing)	No. 30237
Issuance of Promissory Notes, Chattel	:	
Mortgages, and the Assignment of)	
certain Leases as security.	:	
-----)	

O P I N I O N

In this application, Cecil H. Fowler and Hazel Del Fowler, a co-partnership, doing business as C. H. Fowler Warehouse and Elevator, ask permission to issue to the Hanford Branch of the Bank of America National Trust and Savings Association their note for \$14,000, and to West Lake Farms, a co-partnership, their note for \$20,000, and execute a first chattel mortgage and a second chattel mortgage on their properties to secure the payment of the respective notes. A copy of the note payable to the Hanford Branch of the Bank of America National Trust and Savings Association is on file in this application as Exhibit "A", a copy of the chattel mortgage securing the payment of such note as Exhibit "B", a copy of the proposed note payable to West Lake Farms as Exhibit "C", and a copy of the chattel mortgage securing the payment of the note to West Lake Farms as Exhibit "D". The proceeds of the notes will be used to pay in part the cost of a new warehouse building.

Applicants are engaged in the business of handling, storing, warehousing and car-loading grain and other merchandise at Stratford, California. They lease from the Southern Pacific

Railroad Company the following described parcels of real property:

Parcel 1:

That portion of the premises of the Southern Pacific Railroad Company at the Town of Stratford described as follows: Beginning at a point in the station reservation of Southern Pacific Railroad Company opposite and at right angles 34.5 feet westerly from the center line of main track at Engineer Station 409+25; thence westerly a distance of 95.5 feet; thence at right angles southerly 306.5 feet; thence easterly 95.5 feet; thence northerly 306.5 feet to the point of beginning.

Parcel 2:

A piece or parcel of land situate, lying and being in the Southwest Quarter of Section 17, Township 20 South, Range 20 East, M. D. B. & M., in the Town of Stratford, County of Kings, State of California, more particularly described as follows: Beginning at a point in the Southern Pacific Railroad Company's 300-foot wide station reservation in the Town of Stratford 493.8 feet south of the north line of the Southwest Quarter of Section 17, Township 20 South, Range 20 East, M. D. B. & M., and 130.0 feet west of the east line of said Southwest Quarter of Section 17, and running thence easterly, at right angles to said east line of said Southwest Quarter of Section 17 a distance of 95.5 feet to a point 34.5 feet westerly, measured at right angles from the east line of said Southwest Quarter of Section 17; thence southerly, parallel with the east line of said Southwest Quarter of Section 17, a distance of 406.5 feet; thence westerly, at right angles to the east line of said Southwest Quarter of Section 17, a distance of 95.5 feet; thence northerly, parallel with the east line of the Southwest Quarter of Section 17, 406.5 feet to the point of beginning, containing an area of 38,820.75 square-feet, more or less, of land.

Applicants report that there is located on the above described property a building which is approximately 80 feet by 180 feet, said building having a cement floor and being constructed of wood and corrugated iron. The building is being used for warehousing, particularly grain in bulk. There is located in the building adequate machinery for storing and car-loading grain, consisting of an 85-foot elevator, four steel tanks with a capacity of 875 tons for bulk grain, together with adequate scales and other equipment necessary for the handling of grain.

Applicants desire to increase their storage space by the construction of a building approximately 70 feet by 140 feet. The building will have a concrete floor, will be of steel construction, and will be located on the above described premises. The cost of the building is estimated at \$40,000. To obtain funds to pay in part said cost, applicants propose to issue to the Hanford Branch of the Bank of America National Trust and Savings Association their note for \$14,000. This note will bear interest at the rate of 5% per annum, payable semi-annually. The principal is payable in annual installments of \$2,800, the first installment being due March 16, 1950. The payment of this note is to be secured by a mortgage of chattels which will be a first lien on applicants' properties.

Further, applicants propose to borrow from the West Lake Farms, a co-partnership, pursuant to the terms of the agreement on file in this application as Exhibit "G", \$20,000. This loan will be evidenced by a note payable on demand, which will bear interest at the rate of 5% per annum, payable annually. The payment of the \$20,000 note will be secured by a mortgage of chattels which will be a second lien on applicants' properties and by the assignment of the Southern Pacific leases. A copy of the assignment is on file in this application as Exhibit "E".

O R D E R

The Commission has considered this application and is of the opinion that a hearing thereon is not necessary, that the money, property or labor to be procured or paid for through the issue of the notes herein authorized is reasonably required by

Cecil H. Fowler and Hazel Del Fowler, a co-partnership, for the purpose herein stated, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, subject to the provisions of this order; therefore,

IT IS HEREBY ORDERED as follows:

1. Cecil H. Fowler and Hazel Del Fowler, a co-partnership, after the effective date hereof and on or before July 31, 1949, may issue to the Hanford Branch of the Bank of America National Trust and Savings Association their promissory note for the sum of \$14,000, and execute a mortgage of chattels to secure the payment of said note, said note and said mortgage of chattels to be in, or substantially in, the form of the note and the mortgage of chattels on file in this application as Exhibits "A" and "B", respectively.

2. Cecil H. Fowler and Hazel Del Fowler, a co-partnership, after the effective date hereof and on or before July 31, 1949, may issue to West Lake Farms, a co-partnership, their promissory note for the sum of \$20,000, and execute a mortgage of chattels to secure the payment of said note, said note and said mortgage of chattels to be in, or substantially in, the form of the note and the mortgage of chattels on file in this application as Exhibits "C" and "D", respectively, and further may secure the payment of said loan by the execution of the assignment of leases in, or substantially in, the form of the assignment on file in this application as Exhibit "E".

3. Cecil H. Fowler and Hazel Del Fowler, a co-partnership, shall use the proceeds obtained through the issue of said

notes for the purpose of paying in part the cost of acquiring and constructing the warehouse properties described in this application.

4. The authority herein granted will become effective when Cecil H. Fowler and Hazel Del Fowler, a co-partnership, have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is thirty-four (\$34.00) dollars.

5. If Cecil H. Fowler and Hazel Del Fowler, a co-partnership, exercise the authority herein granted, they shall file with the Commission on or before July 31, 1949, a copy of each note and a copy of each mortgage of chattels executed under the authority herein granted, together with a statement showing the purposes for which they expended the proceeds obtained through the issue of said notes.

Dated at San Francisco, California, this 19th day of April, 1949.

R. F. Johnson
Justus F. Coe
Harold P. Kula
Samuel L. Potter
Commissioners

