

ORIGINAL

Decision No. 42838

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of
ICE SICKLE FROZEN FOODS, INC.,
a corporation,
For a Permit to Execute a Note
Secured by Deed of Trust and
Chattel Mortgage

Application
No. 31017

O P I N I O N

In this application, Ice Sickle Frozen Foods, Inc. has applied to the Commission for an order authorizing it to execute a deed of trust and a mortgage of chattels and to issue a note in the principal amount of \$64,000 for the purpose of refunding outstanding indebtedness and of financing the cost of additions to its facilities.

Applicant is engaged in business in Fresno as a quick freezer of fruits, vegetables and poultry and as a public utility cold storage warehouseman. It reports its operating revenues at \$34,875.79 in 1948 and at \$46,778.95 in 1949 with net income of \$336.02 in 1948 and of \$11,687.48 in 1949. In Exhibit C attached to the present application, it reports its assets and liabilities as of December 31, 1949 as follows:

<u>Assets</u>		
Cash on hand and in bank		\$ 345.13
Permanent assets-		
Cost	\$188,066.68	
Reserve for depreciation	<u>25,031.60</u>	163,035.08
Other assets		<u>1,372.63</u>
Total		<u>\$164,752.84</u>

<u>Liabilities</u>	
Notes and accounts payable	\$ 14,531.35
Due Reconstruction Finance Corporation	43,200.51
Due Bank of America	14,411.71
Due Fresno Berry Growers Association	2,500.00
Due stockholders	11,500.00
Capital stock	63,200.00
Surplus	<u>15,409.27</u>
Total	<u>\$164,752.84</u>

Heretofore, applicant has executed a deed of trust and a mortgage of chattels covering its properties and has borrowed from Bank of America National Trust and Savings Association and the Reconstruction Finance Corporation the sum of \$97,750, due in monthly installments of \$1,800 including interest, to pay for plant and properties used in its operations. A copy of the deed of trust and a copy of the mortgage of chattels have been filed with the Commission in Application No. 28958.

The present application shows that the original amount of \$97,750 has been reduced to \$53,901.05. Applicant now desires to borrow the sum of \$64,000 to refund the unpaid balance and to obtain additional funds to finance the cost of improvements to its present packing house in order to expand its food processing operations. In Exhibit A it reports, in some detail, estimated expenditures of \$11,898.95 for this purpose.

The sum to be thus borrowed will be represented by a note in the principal amount of \$64,000 payable in monthly installments of \$1,200 including interest. It is proposed that the Reconstruction Finance Corporation will participate in the loan up to 70% of the principal amount, and the Bank of America National Trust and Savings Association up to 30%. As to the portion to be advanced by Reconstruction Finance Corporation, interest will be at the rate of 4% per annum and as to the remainder,

at the rate of 5% per annum. The payment of the note will be secured by a new deed of trust and a new mortgage of chattels to be in form substantially the same as those heretofore executed and now outstanding.

O R D E R

The Commission having considered the above entitled matter and 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 \$64,000 is reasonably required by Ice Sickle Frozen Foods, Inc. for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Ice Sickle Frozen Foods, Inc., after the effective date hereof and on or before June 30, 1950, may execute a deed of trust and a mortgage of chattels in substantially the same form as those heretofore filed with the Commission in Application No. 28958, and may issue a promissory note in the principal amount of \$64,000, under the terms and conditions outlined in this application, for the purpose of refunding outstanding indebtedness in favor of Bank of America National Trust and Savings Association and Reconstruction Finance Corporation, and of financing the cost of additions to its facilities.

2. Applicant shall file with the Commission a copy of the note, a copy of the deed of trust, and a copy of the mortgage of chattels executed under the authority herein granted within thirty days after the dates thereof. It shall file with the Commission within six months after the issue of the note herein authorized, a statement showing the purposes for which it used the proceeds.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act.

Dated at San Francisco, California this 20th day of February, 1950.

R. Z. Dunning
Justice J. Carr
Justice L. L. Luce
Justice H. H. Hill
Justice W. W. Patten

