

Decision No. 44106

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
WARD HUNT, an individual, doing	:	
business as DUNNIGAN WAREHOUSE AND)	
ELEVATOR COMPANY, to sell and con-	:	
vey, and of D. S. ADAMS, C. L.)	
SHERWOOD, D. Q. ADAMS, D. Q. ADAMS,	:	Application
JR., W. W. ADAMS, ELIZABETH ADAMS)	No. 31324
McCLURE and MARGARET ADAMS DALLAM,	:	
to purchase and acquire a public)	
utility warehouse and elevator sit-	:	
uated at Dunnigan, California.)	
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O P I N I O N

This is an application for an order authorizing Ward Hunt, hereinafter referred to as Seller, to sell and transfer public utility warehouse properties to D. S. Adams, C. L. Sherwood, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, Elizabeth Adams McClure and Margaret Adams Dallam, hereinafter referred to as Buyers.

Seller, doing business under the firm name and style of Dunnigan Warehouse and Elevator Company, is engaged in operating a public utility warehouse business, primarily for the storage of barley, wheat, corn and rice, in Dunnigan, Yolo County, and in conducting merchandise operations. His annual reports to the Commission for the last four years show his revenues and expenses, in summary form, as follows:

	<u>Warehouse</u> <u>Revenues</u>	<u>Other</u> <u>Revenues</u>	<u>Total</u> <u>Revenues</u>	<u>Expenses</u>	<u>Gross</u> <u>Income (1)</u>
1946	\$28,927	\$22,835	\$51,762	\$27,471	\$24,291
1947	31,202	27,878	59,080	35,255	23,825
1948	49,404	25,988	75,392	37,469	37,923
1949	56,669	25,107	81,776	46,644	35,132

(1) Before interest and taxes on income.

The properties of Seller include two parcels of real estate consisting of approximately four acres, together with a warehouse building having a capacity of 11,360 tons and warehouse equipment. Applicants estimate the cost of the improvements and equipment at \$178,101 and the present value at \$292,273. The appraised value of the real estate is reported at \$3,000.

The application shows that Seller, because of his age and the condition of his health, desires to retire from active participation in business, and that accordingly he has made arrangements to sell his properties to Buyers for the sum of \$300,000, under the terms of an agreement of sale dated April 15, 1950, whereby the transfer will be made free and clear of all liens and encumbrances. Under the terms of the agreement, Buyers will make a down payment of \$85,000 within three days after receipt of an order of this Commission approving the sale and transfer of the business and properties, and will issue their promissory note to Seller for the remaining \$215,000, said note to be payable in annual installments of \$21,500 with interest on the unpaid balance at the rate of 4½% per annum. The payment of the note will be secured by a deed of trust covering the properties.

ORDER

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, and that the money, property or labor to be procured or paid for through the issue of a note in the principal amount of \$215,000 is reasonably required by Buyers for the purpose specified

herein; therefore,

IT IS HEREBY ORDERED as follows:

1. Ward Hunt, after the effective date hereof and on or before July 31, 1950, may sell and transfer his public utility warehouse properties referred to herein to D. S. Adams, C. L. Sherwood, D. Q. Adams, D. Q. Adams, Jr., W. W. Adams, Elizabeth Adams McClure and Margaret Adams Dallam, said sale and transfer to be in accordance with the terms and conditions of the agreement of sale dated April 15, 1950, filed in this proceeding as Exhibit X, and said Buyers, for the purpose of acquiring said properties, may execute a deed of trust and issue a note in the principal amount of \$215,000, said deed of trust and note to be in, or substantially in, the same form as those filed in this proceeding as Exhibit C and Exhibit D, respectively. Buyers shall continue the operations of Seller under the same rates, rules and regulations.

2. On not less than one (1) day's notice to the Commission and to the public, the tariffs now on file with the Commission insofar as they name rates, rules and regulations governing warehouse operations by Seller, shall be supplemented or reissued to show that said Seller has withdrawn and that said Buyers have adopted or established as their own said rates, rules and regulations. The tariff filings made pursuant to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

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

4. Buyers shall file with the Commission a copy of the deed of trust and a copy of the note as actually executed under the authority herein granted, such filing to be made within thirty (30) days after the date of such instruments.

5. The authority herein granted will become effective when Buyers have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is two hundred fifteen (\$215.00) dollars.

Dated at San Francisco, California, this 2nd day of May, 1950.

R. E. Anderson

Justus E. Craemer

Harold A. Kula

Russell H. Potter
Commissioners

Justus E. Craemer
Commissioner....., being
necessarily absent, did not participate
in the discussion of this proceeding.

