

Decision No. 49545

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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| Application of CALWA COMPRESS COMPANY, |) | |
| a California corporation, for per- | : | |
| mission to mortgage personal property |) | Application |
| necessary or useful in performance of | : | No. 34999 |
| its duties to the public. |) | |
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OPINION AND ORDER

Calwa Compress Company, applicant in this proceeding, is a California corporation engaged in compressing cotton and in conducting operations as a public warehouseman in Fresno County.^{1/} In this application it seeks authorization to execute a mortgage of chattels to secure the payment of a note in the principal amount of \$85,000.

In addition to its other holdings, applicant has acquired and now owns all the stock of Sierra Ginning Company, a corporation which operates a cotton gin in Fresno County. Applicant asserts that it acquired such shares in order to use the services of said cotton gin in connection with its compressing activities and that it borrowed from W. D. Felder & Company the sum of \$85,000 to meet the purchase price of the shares which it now holds and to provide working capital. W. D. Felder & Company and Zach L. Felder own all applicant's outstanding shares of stock.

^{1/} Applicant's latest annual report on file with the Commission shows, for the 12-month period ended March 31, 1953, its storage and handling revenues at \$23,171 and its revenues for services not covered by tariffs on file with the Commission at \$301,311, a total of \$324,482. The report shows its net income for the year at \$16,795.

It appears that W. D. Felder & Company now is desirous of obtaining repayment of its advances and that in order to refinance the amount applicant has arranged to borrow \$85,000 from The First National Bank in Dallas, the borrowing to be represented by a note payable on or before May 1, 1954, together with interest at the rate of 5% per annum. The note will be secured by a pledge of the shares of stock of Sierra Ginning Company, by an assignment of all accounts receivable presently and hereafter due and owing by said Sierra Ginning Company to applicant, and by a mortgage of chattels on applicant's personal property. The loan will be guaranteed by W. D. Felder & Company.

The Commission has considered this application and is of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Calwa Compress Company may execute a mortgage of chattels on or before March 31, 1954, which mortgage of chattels shall be in, or substantially in, the same form as that filed in this proceeding as Exhibit A.
2. Calwa Compress Company shall inform the Commission in writing, on or before April 30, 1954, of the action taken by it under the authorization herein granted.
3. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 12th day of January, 1954.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners