

ORIGINAL

Decision No. 51217

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
	:	
ECKHART SEED COMPANY, a	)	
Co-Partnership,	:	
	)	Application
for order authorizing borrowing of	:	No. 36780
money and execution of promissory	)	
note therefor and of chattel mortgage	:	
and deed of trust securing the same.	)	
-----	:	

OPINION AND ORDER

In this application Howard C. Eckhart and C. H. Eckhart, Jr., copartners doing business under the firm name and style of Eckhart Seed Company, seek authority to issue a note in the principal amount of \$59,660 and to execute a deed of trust and a mortgage of chattels to secure the payment of such note.

Applicants are engaged in the operation of a warehouse and seed business in Monterey County, with their principal place of business at Spence Switch. Exhibit A attached to the application shows gross income for the year 1954 of \$637,248.92 of which only \$26,948.20 was derived from commercial storage, and net profit of \$32,139.18. Applicants' net investment in fixed assets is shown at \$88,081.33 at December 31, 1954, and in current and deferred assets at \$123,190.88.

Heretofore, applicants have executed a deed of trust and a mortgage of chattels on certain of their properties pursuant to authority granted by the Commission, and have issued promissory notes secured thereby in the presently outstanding aggregate amount of

\$34,660. Applicants report that they now have need for additional funds and that they have arranged to borrow the sum of \$25,000 from American Trust Company, successor in interest of Monterey County Trust & Savings Bank. They propose to execute a new deed of trust and mortgage of chattels and to evidence the combined indebtedness by a new note in the principal amount of \$59,660, payable in equal successive annual installments of \$5,966 with interest at the rate of 6% per annum, payable quarterly, on deferred payments, and to apply the additional \$25,000 toward construction of a warehouse having 7,000 square feet of floor space and the installation of six tanks having a capacity of approximately 6,000 bags for the storage of beans.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicants 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. Howard C. Eckhart and C. H. Eckhart, Jr., on or after the effective date hereof and on or before June 30, 1955, may issue a promissory note in the principal amount of not exceeding \$59,660 for the purposes set forth in this application, and may execute a mortgage of chattels and a deed of trust, said note, mortgage of chattels, and deed of trust to be in, or substantially in, the same form as those filed in this proceeding as Exhibit B, Exhibit C and Exhibit D, respectively.

2. Applicants shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 29<sup>th</sup> day of March, 1955.

*W. E. Mitchell*  
President

*James J. Calver*  
*Ralph L. Lusk*

Commissioners

