

Decision No. 56032

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of WESTERN COLD STORAGE CO., a
corporation, for authority to
execute a guarantee of note
payable to BANK OF AMERICA.

Application No. 39648

OPINION AND ORDER

Western Cold Storage Co., a corporation, has filed this application for authorization to execute a continuing guaranty to Bank of America National Trust and Savings Association of certain indebtedness incurred by Santa Maria Freezer & Cold Storage Co.

Western Cold Storage Co. is a wholly owned subsidiary of Santa Maria Freezer & Cold Storage Co. It appears that Santa Maria Freezer & Cold Storage Co. owns certain real estate, buildings and equipment in Santa Maria which are encumbered by a deed of trust and mortgage of chattels securing the payment of two notes, originally in the amount of \$525,000 but since reduced to \$365,355, and that it has set up applicant corporation as an operating company to occupy the premises under lease arrangements and to conduct therein a public utility cold storage business. The bank, as the holder of the outstanding notes, is desirous of having the operating company execute a continuing guaranty of the notes. The application shows that one of the notes is payable in monthly installments of \$3,335 until paid and the other note is payable in monthly installments of \$1,230 until such time as the first note is paid when the monthly installments become \$4,565.

The Commission has considered this application and is of the opinion that the proposed transaction will not be adverse to the public interest and that an ex parte order should be entered granting applicant's request, therefore,

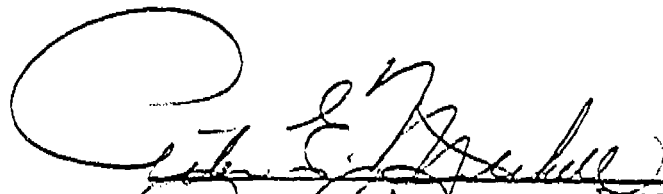
IT IS HEREBY ORDERED as follows:

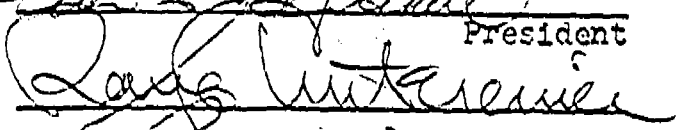
1. Western Cold Storage Co., on and after the effective date hereof, may execute a continuing guaranty of indebtedness incurred by Santa Maria Freezer & Cold Storage Co. in the amounts set forth in this application, which guaranty shall be in, or substantially in, the same form as that filed in this proceeding as Exhibit D.

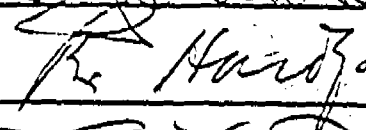
2. The authority herein granted shall not be construed to be a finding of the value of the properties referred to herein nor of the reasonableness of the lease arrangements.


3. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 30th day of December, 1957.



President






Commissioners