

ORIGINALDecision No. 65753

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of B-LO COLD STORAGE CO.)
 For Authority to Borrow Money, to)
 Execute Loan Agreements, and to)
 Issue Promissory Note or Notes.)

Application No. 45517
 Filed June 10, 1963

O P I N I O N

B-Lo Cold Storage Co., a corporation engaged as a public utility in the cold storage business in Los Angeles, has filed this application for an order authorizing and approving long-term indebtedness.

The application shows that heretofore B-Lo Cold Storage Co. issued certain long-term notes as follows:

<u>Payee</u>	<u>Date of Issue</u>	<u>Date Due</u>	<u>Original Amount</u>	<u>Amount Unpaid</u>
Bank of America	7-5-62	6-5-72	\$52,759.38	\$41,784.54
California Bank	1-24-61	1-24-63	18,000.00	500.00
Shareholders:				
Bert Boyajian	12-27-62	1-2-64	9,140.00	9,140.00
Martin Boyajian	12-27-62	1-2-64	9,140.00	9,140.00
Verne Kallajian	12-27-62	1-2-64	860.00	860.00
Mel-Rox Seafood Co., Inc.	12-27-62	1-2-64	87,010.05	87,010.05

The note to Bank of America is secured; the others are unsecured. The stock of Mel-Rox Seafood Co., Inc., is reported held by Bert Boyajian, Martin Boyajian and Verne Kallajian.

The company reports that the balance of \$500 payable to California Bank will be paid within one month from the filing of the application and accordingly no further reference will be made to it in the decision. As to the remaining notes, it appears that they represent renewals of earlier notes dating back to 1960, the year the company was organized.

The company did not obtain authorization from the Commission to issue its notes as required by Section 818 of the Public Utilities Code, although it appears that its failure to do so was through inadvertence and that when the requirements of the code were called to applicant's attention, it forthwith filed the present application requesting the Commission to authorize and approve these outstanding loans.

Section 825 of the Public Utilities Code declares void any note, or other evidence of indebtedness of a public utility, issued without approval of the Commission. We are of the opinion we cannot authorize and approve void notes. It appears, however, that the notes were issued for proper purposes and we will enter an order authorizing applicant to issue new notes in lieu of those it issued without the necessary consent. In our opinion, and we so find, the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purpose specified herein, and such

purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. B-Lo Cold Storage Co., a corporation, may issue its new note to Bank of America in the principal amount of not to exceed \$41,784.54, and execute a mortgage and/or deed of trust to secure its payment, and may issue to Bert Boyajian, Martin Boyajian, Verne Kallajian and Mel-Rox Seafood Co., Inc., its new notes in the amounts set forth in this application, said new notes and mortgage and/or deed of trust to be executed and issued in the place and stead of the instruments presently outstanding which were executed and issued without authorization from the Commission.

2. B-Lo Cold Storage Co. shall file with the Commission a report, or 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 shall become effective when B-Lo Cold Storage Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$148.

Dated at San Francisco, California,
this 30th day of JULY, 1963.

William W. Bennett
President

John E. [unclear]

[unclear]

George J. Grover

Fredrick B. Holbech
Commissioners

