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Decision No. 12104.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of)
NEVADA COUNTY NARROW GAUGE RAILROAD)
COMPANY for the issuance of bonds.)

Application No. 5230

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER.

NEVADA COUNTY NARROW GAUGE RAILROAD COMPANY asks for additional time in which to issue and sell the bonds referred to in Decision No. 7162, dated February 21, 1920, in the above entitled matter. In that decision, the Commission authorized applicant to issue \$89,000.00 face value of five per cent. bonds due April 1, 1943, to pay or refund a like amount of seven per cent. bonds maturing serially. Condition "1" of the order in Decision No. 7162 reads as follows:

"1. Of the bonds herein authorized, \$16,000. may be issued in 1920; \$16,000. in 1921; \$18,000. in 1922; \$19,000. in 1923; and \$20,000. in 1924; provided that all of said bonds be issued and sold at a price which will not result in an effective interest rate in excess of 7%. Any moneys, other than the moneys obtained through the issue and sale of the 5% bonds herein authorized, which may be necessary to redeem the outstanding 7% bonds as they mature, shall be paid by applicant out of surplus earnings or be obtained from sources other than through the issue of additional bonds."

Applicant reports that it has issued none of the five per cent. bonds for the reason that the holders of the seven per cent. bonds agreed to extend the maturity date of the bonds for a period of three years. It further reports that there are now \$83,000.00 face value of seven per cent. bonds outstanding. The company intends to

offer the holder of a \$1,000. seven per cent. bond \$500. in cash and \$700. face value of five per cent. bonds due April 1, 1943. It has sufficient cash on hand, none of which has been obtained from the sale of bonds, to carry out its plan which will result in a reduction of the bonded debt by the sum of \$24,900. and a reduction in interest charges of \$2,905. per annum.

The Commission has considered applicant's request and believes that the order in Decision No. 7162, dated February 21, 1920, should be amended and applicant's request granted; therefore -

IT IS HEREBY ORDERED, that the order in Decision No. 7162, dated February 21, 1920, be, and it is hereby, amended so as to permit NEVADA COUNTY NARROW GAUGE RAILROAD COMPANY to issue and deliver, on or before December 31, 1923, not exceeding \$58,100.00 face value of its five per cent. bonds in partial payment of the outstanding \$83,000.00 of seven per cent. bonds referred to in this application.

DATED at San Francisco, California, this 18th
day of May, 1923.

C. Seamy

Dwight Martin

J. T. Whittley

Commissioners.