

Decision No. 22478 .

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
YREKA RAILROAD COMPANY, )	
a corporation, for an order author- )	Application No. 14955
izing the issuance of bonds in the )	
amount of \$200,000.00. )	

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

Yreka Railroad Company requests additional time within which to issue and sell the bonds authorized by Decision No. 20294, dated October 3, 1928, as amended, and to use \$6,216.61 of the proceeds from the sale of said bonds to pay for a White Motor Bus.


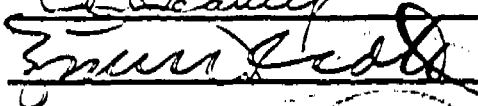
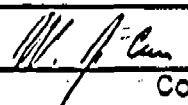
By Decision No. 20294, dated October 3, 1928, as amended, the Commission authorized the company to issue and sell, on or before April 1, 1930, at not less than ninety percent of their face value and accrued interest, \$120,000.00 of six percent bonds due May 1, 1938, and to use the proceeds to finance in part the expenditures referred to in Exhibit "E", as amended, and referred to in the opinion of said Decision No. 20294. The company has sold \$24,000.00 of said bonds at \$90.00, netting \$21,600.00. It reports that it has used the proceeds for the purposes set forth in Exhibit "E", as amended. It appears, however, from our investigation, that \$6,216.61 of the proceeds were expended for the purchase of a White Motor Bus, which is not mentioned in Exhibit "E", as amended. This expenditure, it seems, was made through inadvertence and upon having the matter called to its attention, applicant filed a supplemental application asking authority to use \$6,216.61 of the proceeds obtained from the sale of its bonds to pay for said White Motor Bus.

The Commission authorized the issue and sale of the aforementioned bonds to enable applicant to reconstruct and rehabilitate its railroad and properties. This, applicant has not done to date. Though applicant has issued \$24,000.00 of bonds its railroad properties are in much the same condition today as they were at the time a hearing was had on this application. The estimated operating revenues submitted at such hearing have not been realized. For both 1928 and 1929 the company reports operating deficits. For the former year such deficit amounted to \$11,650.80 and for the latter year \$16,086.90. These are the deficits before the consideration of interest. We don't believe that under the circumstances, as they now exist, this company should be given additional time within which to issue and sell bonds. If conditions change it may file a supplemental petition in this matter, or file a new application for permission to issue and sell additional bonds.

IT IS HEREBY ORDERED, that the order in said Decision No. 20294, dated October 3, 1928, as amended, be, and the same is hereby, further amended so as to permit Yreka Railroad Company to use \$6,216.61 of the proceeds realized from the issue and sale of said bonds to pay for the aforementioned White Motor Bus.

IT IS HEREBY FURTHER ORDERED, that the Yreka Railroad Company's request for additional time within which to issue and sell the bonds authorized by said decision Number 20294 dated October 3, 1928, be, and the same is, hereby denied without prejudice.

DATED at San Francisco, California, this 23d day of May, 1930.

  
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Commissioners.