

Decision No. 24592

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 THE CALIFORNIA COMPANY,
 a corporation, for an order author-
 izing the issue of bonds.

Application No. 17913

BY THE COMMISSION:

ORIGINALFIRST SUPPLEMENTAL ORDER

The Railroad Commission by Decision No. 24454, dated February 8, 1932, in the above entitled matter, authorized The California Company to issue and sell, at not less than par, \$30,000.00 of six percent first mortgage bonds, due February 1, 1952, subject among others to the condition that the authority to issue said bonds would become effective when The California Company had been authorized to execute a trust indenture to secure the payment of said bonds and when it had paid the fee of \$30.00 prescribed by Section 57 of the Public Utilities Act.

The Company on February 15, 1932, paid the prescribed fee, and on March 18, 1932, filed with the Commission a revised copy of the trust indenture which it proposes to execute to secure the payment of the said bonds.

The stockholders of applicant are a party to the trust indenture. It contains the following provision:

"As additional security for the payment of the interest and principal of the bonds aforesaid, R. G. KANN, RUTH M. KANN and EDA KANN, who are the present stockholders of the company, do jointly and severally, for themselves, their successors and assigns, until such time as the earnings of the properties of the company are sufficient to pay its operating expenses, depreciation and bond interest for at least two consecutive years, guarantee the payment of the interest on said bonds and the payment of the amounts required to be paid into the sinking fund herein created, and agree that if at any time while this guaranty is effective any of said payments is not made promptly by

the company, they will forthwith pay to the Trustee the full amount thereof or any deficit therein, and they do further each agree that they respectively will not sell any of their shares of the company's stock unless the purchaser or purchasers thereof shall assume the aforesaid obligation of guaranty by an instrument in writing duly acknowledged by said purchaser or purchasers and filed with the Trustee under this Trust Indenture. In case of any sale of the stock of the company without compliance with the provisions of this paragraph, all of said bonds then outstanding shall immediately become due and payable, and any of said bonds which may not then have been issued shall become void and be cancelled."

We have considered the proposed trust indenture and find the same to be in satisfactory form, therefore,

IT IS HEREBY ORDERED that The California Company be, and it hereby is, authorized to execute a trust indenture substantially in the same form as that filed with the Commission in this proceeding on March 18, 1932, provided that the authority herein granted is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said trust indenture as to such other legal requirements to which it may be subject.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of the aforesaid trust indenture, The California Company shall file with the Commission a certified copy of the instrument as executed.

DATED at San Francisco, California, this 21st day of March, 1932.

C. J. Seaver
Leon Whiteley
M. A. Linn
M. B. Lavin
Fred G. Stewart
Commissioners.