

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of Death Valley Railroad Company,
a corporation, for an order author-
izing the issuance and sale of cer-
tain bonds.

ORIGINAL
Supplemental
Application No. 836.

Decision No. 1771

EDGERTON, Commissioner.

SUPPLEMENTAL OPINION

In its decision No. 1330, dated March 10, 1914, this Commission authorized Death Valley Railroad Company to issue 473 bonds of 100 pounds sterling each of British money, equivalent approximately to a total face value of \$230,351, and to issue \$75,000 of stock for the purpose of obtaining funds to construct a narrow gauge railroad 17 miles in length in Death Valley.

The applicant was authorized to sell the bonds at 90 per cent of their face value and the stock at par. The railroad as projected begins at a point on the Ryan branch of the Tonopah and Tidewater Railroad, $3\frac{1}{2}$ miles from Death Valley Junction, and runs thence in a general northwesterly direction through the mountains and across the open desert to the Biddy McCarty Borax mines. The railroad is designed to serve the Biddy McCarty Borax mine which is owned by the Borax Consolidated, Ltd. of London.

It now appears that the applicant proposes to build an additional mile of line. It appears further that applicant's original estimates were lower than actual cost. Accordingly, application is now made for authority to issue, in addition to the bonds previously authorized, 204 bonds of 100 pounds sterling each of British money, or a total face value of 20400 pounds sterling, the equivalent in money of the United States, at the ratio of \$4.87 per English pound, of approximately \$99,348.

Applicant proposes to issue these 204 additional bonds

under the same trust deed securing the issue as previously authorized by this Commission, and these additional bonds will also be guaranteed, as were the 473 bonds previously authorized, by the Borax Consolidated, Ltd. This guarantee will appear upon the face of the bonds.

I recommend that the application be granted and submit the following form of order:

SUPPLEMENTAL ORDER

Application having been made to the Railroad Commission of the State of California for a supplemental order authorizing the issue by Death Valley Railroad Company of 204 bonds of a total face value of 20400 pounds sterling, money of Great Britain, and it appearing to the Commission that said application should be granted under the conditions set out in this order, and that the proceeds to be derived from the sale of the bonds herein authorized to be issued are necessary for the purpose of completing the construction of applicant's line of railway and are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Death Valley Railroad Company be authorized and it is hereby authorized to issue 204 bonds of a face value of 100 pounds sterling, money of Great Britain, to bear interest at the rate of 5 per cent per annum, and to be payable over a period of ten years from March 1, 1914.

The authority herein given to Death Valley Railroad Company is given upon the following conditions and not otherwise:

1. Said bonds shall be issued under applicant's trust deed on file with the application herein, being the same trust under which this Commission authorized the applicants herein, in Decision No. 1330, to issue 473 bonds of 100 pounds sterling each.

2. The proceeds to be derived from the sale of the bonds herein authorized shall be used for the purpose of completing applicant's line of railway and for the items set out in applicant's Exhibit "B" as filed with the supplemental application herein.

3. The bonds herein authorized shall be sold so as to net Death Valley Railroad Company not less than 90 per cent of their face value.

4. Before applicant shall spend any of the money derived from the sale of the bonds herein authorized it shall have sold the \$75,000 of capital stock authorized in Decision No. 1330 of this Commission.

5. Before selling any of the bonds herein authorized, Borax Consolidated Company, Ltd, shall execute a guarantee of the payment of the principal and interest of said bonds, and said guarantee shall appear upon the face of each of the bonds issued.

6. Said company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the bonds hereby authorized to be issued and on or before the 25th day of each month the company shall make a verified report to the Commission in accordance with the Commission's General Order No. 24, stating the sale or disposition of said bonds and the purpose of such bonds during the preceeding month, the terms or conditions of such sale or other disposition, the moneys realized therefrom and the use and application of such moneys.

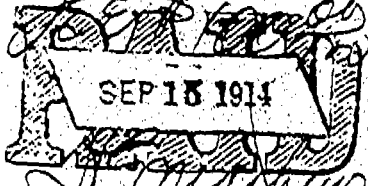
7. The authority hereby given to issue such bonds shall apply only to such bonds as shall have been issued on or before March 1, 1915.

8. The payment of the fee prescribed in Section 57 of the Public Utilities Act shall be a condition precedent to the effectiveness of this order.

The foregoing supplemental opinion and order are hereby approved and ordered filed as the supplemental opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 1st day of September, 1914.

Railroad Commission State of California



BY J. H. [Signature]
Assistant Secretary.

John M. Keshleman
H. J. [Signature]
[Signature]

Edwin A. Edgerton

Commissioners.