

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

Decision No. 1852

In the matter of the application of Humboldt Transit Company for authority to issue and pledge \$50,000 of its first mortgage bonds.

Application No. 1359.

GORDON, Commissioner.

Carter P. Pomeroy, for applicant.

O P I N I O N

This is an application by Humboldt Transit Company for authority to issue and pledge \$50,000 of its first mortgage 5 per cent 30 year bonds with the Pacific Coast Casualty Company. Applicant operates a street railroad in the city of Eureka, Humboldt County. On August 14, 1914, in an action entitled "Gwynedde A. Tower, an infant, by Morton L. Tower, her guardian ad litem, plaintiff, v. Humboldt Transit Company, a corporation, defendant", the Superior Court of Humboldt County rendered judgment against the applicant herein in the sum of \$20,000, and \$178.35 costs. The applicant desires to appeal to the Supreme Court of the State of California and pending such appeal, to stay execution, it is required to file a bond with the Superior Court in the sum of \$40,500. In order to obtain this bond, it is necessary for the applicant to indemnify the surety company. Accordingly, applicant proposes to pledge \$50,000 of its first mortgage bonds with Pacific Coast Casualty Company as collateral security for the bond which the said casualty company will furnish.

Applicant stated that if the judgment be affirmed, the judgment will be paid by the stockholders of the corporation and the bonds returned to the treasury. In any event, the bonds are merely to be hypothecated temporarily and are to be returned to applicant's treasury.

Under all circumstances in this case I recommend that the application be granted and submit the following form of order:

O R D E R

Humboldt Transit Company having applied to this Commission for permission to issue and pledge \$50,000 of its first mortgage 5 per cent sinking fund 30 year bonds to the Pacific Coast Casualty Company as outlined in the opinion herein, and a hearing having been held ,

IT IS HEREBY ORDERED that Humboldt Transit Company be given authority and it is hereby given authority to issue and pledge \$50,000 of its first mortgage 5 per cent sinking fund 30 year bonds to the Pacific Coast Casualty Company.

The authority herein granted is granted upon the following conditions and not otherwise:

1. The bonds herein authorized to be pledged shall be pledged to the Pacific Coast Casualty Company only for the purpose of indemnifying said surety company for a bond to be furnished by said surety company to be filed with the Superior Court of Humboldt County to stay execution of the judgment in the action entitled "Gwynedde A. Tower, an infant, by Morton L. Tower, her guardian ad litem, plaintiff, v. Humboldt Transit Company, a corporation, defendant".

2. Humboldt Transit Company shall within ten days file a statement in writing with this Commission that when the damage case heretofore referred to of Gwynedde A. Tower shall have been decided by the Supreme Court of the State of California, it will take necessary steps to satisfy said judgment if the judgment be adverse to the applicant herein, and will thereupon obtain the release of the bonds herein authorized to be pledged and return said bonds to its treasury.

3. The authority herein given shall apply to such bonds as shall have been pledged to Pacific Coast Casualty Company on or before December 31, 1914.

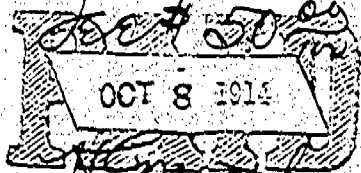
4. The authority herein granted is conditioned upon the payment by the applicant of the fee prescribed under the Public Utilities Act.

5. The applicant herein shall report within 30 days such action as it may take under the order herein.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 8th day of October, 1914.

Railroad Commission State of California



BY [Signature]  
Assistant Secretary.

[Signature]  
[Signature]  
[Signature]  
Commissioners.