

Decision No. ✓

ORIGINAL

Decision No. 1901

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
 of Northern Electric Railway Company-)
 Marysville and Colusa Branch, a cor-) Application No. 1337
 poration, for an order approving)
 certain notes issued by applicant.)

T. T. C. Gregory for applicant.

EDGERTON, Commissioner.

O P I N I O N

This is an application by Northern Electric Railway Company-Marysville and Colusa Branch- for an order authorizing the issue of certain promissory notes.

Applicant has heretofore issued promissory notes without the authorization of this Commission and it is the purpose of this application to obtain an order authorizing the issuance of these notes which will maintain the creditors holding this paper in the position they would have occupied had the notes been legally issued with the authorization of this Commission.

Applicant is a subsidiary of Northern Electric Railway Company, which is in the hands of a receiver, and while I would not recommend the granting of this application if a new indebtedness were being created, I believe that it is only fair to the creditors who hold notes herein asked to be authorized that this application be granted. It appears that the money obtained from the issuance of these notes was used for corporate purposes.

Herewith a form of order:

O R D E R

Application having been made by Northern Electric Railway Company-Marysville and Colusa Branch- for an order authorizing the issuance of certain promissory notes, and a public hearing having been had, and it appearing to the Commission that for the reasons set out in the preceding opinion said application should be granted,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Northern Electric Railway Company-Marysville and Colusa Branch- is hereby authorized to issue those certain promissory notes in the amounts, bearing the interest, payable to the persons and dated, all as set out in the list on file herein marked Exhibit "A".

Said company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds derived from the issuance of the notes herein authorized, 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 other disposition of the notes herein authorized to be issued the terms and conditions of such sale or other disposition, the moneys realized therefrom and the use and application of such moneys,

This order shall not become effective until the fee prescribed by Section 57 of the Public Utilities Act, as amended shall have been paid.

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 22nd day
of October, 1914.

H. D. Merrill

Max Theiler

E. W. O. Edgerton

Commissioners.