

ORIGINAL

Decision No. 1918

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application )  
of LOS ANGELES AND SAN DIEGO BEACH )  
RAILWAY COMPANY for an order author- ) Application No. 1378.  
izing the issue of Promissory Notes )  
of the total face value of \$32,000.00.)

Leovy & Leovy for applicant.

THELEN, Commissioner.

O P I N I O N.

This is an application for authority to issue three promissory notes as follows:

1. Note for \$8,000.00, payable to Southern Trust and Savings Bank of San Diego, California, or order, to be dated as of the date of this order and to be payable on or before six months after date, with interest at the rate of 7 per cent per annum.

2. Note for \$5,000.00, payable to Southern Trust and Savings Bank of San Diego, California, or order, to be dated as of the date of this order and to be payable on or before six months after date, with interest at the rate of 7 per cent per annum.

3. Note for \$21,000.00, payable to Merchants National Bank of San Diego, California, or order, payable one day after date, with interest at the rate of 7 per cent per annum.

The first two notes hereinbefore referred to are to be issued for the purpose of taking up notes in the same amounts, payable to the same payee, and the third note is to be issued for the purpose of taking up two existing notes, one in the sum of \$10,000.00 and one in the sum of \$11,000.00, payable to the order of Merchants National Bank of San Diego, both of these notes being one day notes.

The existing notes in each case bear interest at the rate of 6 per cent, but the banks are unwilling to renew the loans unless the interest is increased to 7 per cent. The proceeds from the notes now existing or their predecessors were used for purposes which are properly chargeable to capital account. Under all of the facts of the case, I recommend that the application be granted.

I submit herewith the following form of order:

O R D E R.

LOS ANGELES AND SAN DIEGO BEACH RAILWAY COMPANY having applied to the Railroad Commission for an order authorizing the issue of three (3) promissory notes, as hereinafter indicated, and a public hearing having been held on said application, and the Railroad Commission finding that the purposes for which the proceeds of the notes to be refunded were issued are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Los Angeles and San Diego Beach Railway Company be and the same is hereby authorized to issue its promissory notes as follows:

1. Promissory note payable to Southern Trust and Savings Bank of San Diego, California, or order, on or before six months after date of this order, in the sum of eight thousand dollars (\$8,000), with interest at the rate of seven (7) per cent per annum, for the purpose of taking up existing note in the same amount, payable to the same payee.

2. Promissory note payable to Southern Trust and Savings Bank of San Diego, California, or order, on or before six months after date of this order, in the sum of three thousand dollars (\$3,000), with interest at the rate of seven (7) per cent per annum, for the purpose of taking up existing note in the same amount, payable to the same payee.

3. Promissory note payable to the order of Merchants National Bank of San Diego, one day after date, in the sum of twenty-one thousand dollars (\$21,000), with interest at the rate of seven (7) per cent per annum, for the purpose of taking up two outstanding promissory notes, payable to the same payee, and in the sums of ten thousand dollars (\$10,000) and eleven thousand dollars (\$11,000), respectively.

The authority hereby given is subject to the following conditions:

(a) The promissory notes hereby authorized shall be issued only at their full face value.

(b) Los Angeles and San Diego Beach Railway Company may, without further order from the Railroad Commission, issue renewal or renewals of the notes hereby authorized to be issued, provided that the rate of interest shall not exceed seven (7) per cent per annum and that the combined term of the note or notes hereby authorized to be issued and the renewals thereof shall not exceed one year.

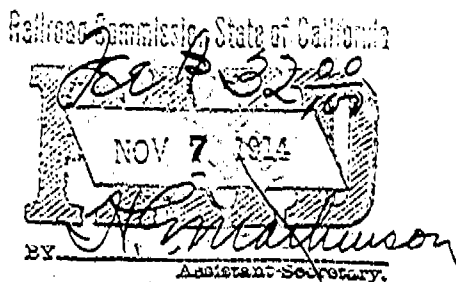
(c) Los Angeles and San Diego Beach Railway Company shall report to the Railroad Commission within ten (10) days after the issue of any note hereby authorized to be issued, the fact of the issue, the terms and conditions thereof and the disposition of the proceeds.

(d) The authority hereby given to issue promissory notes shall apply only to such promissory notes as may be issued prior to November 1, 1915.

(e) The authority hereby given to issue promissory notes shall not become effective until Los Angeles and San Diego Beach Railway Company has paid the fee specified by Section 57, as amended, of the Public Utilities Act.

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 5th day of November, 1914.



H. C. MacArthur  
W. J. Gordon  
Max Thelen  
Edwin O. Edgerton  
Commissioners.