ORIGINAL

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

Decision No. 2020

In the Matter of the Application of the SAN DIEGO AND ARIZONA RAILWAY COMPANY, a corporation, for an Order authorizing the issue of Bonds.	)	Original App. No. 808 Supplemental App. No. 7

- - - - - - - - - - -

BY THE COMMISSION:

SIXTH SUPPLEMENTAL ORDER.

The Commission having in its orders heretofore made in this proceeding authorized San Diego and Arizona Railway Company to issue $10,000,000 face value of its general first lien 5 per cent sinking fund 40-year gold bonds, and to issue $3,000,000 par value of its capital stock upon certain conditions, including the following:

"(a) None of the above bonds shall be issued until applicant shall have obtained the approval of the Commission of a plan for the sale at par of $3,000,000.00 of its capital stock.

(b) Before any of the bonds or stocks herein authorized shall be issued, there shall be submitted for the approval of the Commission a complete plan for the organization of the Mexican corporation, which is to hold that part of applicant's railroad project which is and will be built in Mexico, and the placing of the assets of said corporation under the lien of the bonds herein authorized."

And it appearing that in order to comply with condition (a) above mentioned an agreement was executed on November 9, 1914, between San Diego and Arizona Railway Company, party of the first part, and John D. Spreckels and A. B. Spreckels, parties of the second part, which provided in part:

"That as the first party shall sell and deliver its bonds in excess of Four Million Dollars ($4,000,000.00) par value, and up to Ten Million Dollars ($10,000,000.00) par value, the second parties will purchase from and pay the first party for said three million dollars ($3,000,000) par value, of said stock, said sum of Two Million Five Hundred and Fifty Thousand Dollars ($2,550,000.00), in the same proportion, so that when the said Ten Million Dollars ($10,000,000.00) of bonds, par value, shall have been issued and paid for, said Three Million Dollars ($3,000,000) of stock, par value, shall all be issued and paid for as aforesaid."

And it appearing that in order to comply with condition (b) above mentioned San Diego and Arizona Railway Company, on March 26, 1914, caused to be incorporated a Mexican corporation, viz: Compania del Ferrocarril de Tijuana y Tecate, S. A., and caused to be conveyed to said Mexican corporation a concession from the Mexican Government for building and operating that part of applicant's railroad project which is and will be built in Mexico, and all of the rights of way and roadbed procured for that portion of the road, and has caused all the stock of said Mexican corporation to be placed in the hands of the Union Trust Company of San Francisco, under the provisions of applicant's trust deed dated December 1, 1914, as security for the bonds herein authorized to be issued; and it appearing to the Commission that this is a satisfactory compliance with the second condition above named,--

IT IS HEREBY ORDERED that the Commission does hereby approve of the agreement above named, the formation of the Mexican corporation and the placing of the stock of this corporation in the hands of the Union Trust Company as security for the bonds herein authorized to be issued, and the Commission hereby states that applicant has satisfactorily complied with the two conditions above named.

Dated at San Francisco, California, this 22nd day of December, 1914.

A. Loveland

Ole Gordon

Edwin O. Edgerton

Commissioners.