

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

Application No. 1588.

In the matter of the application of Southwestern Home Telephone Company for authority to issue notes to refund certain notes now outstanding.

Charles A. Rolfe, for applicant.

GORDON, Commissioner.

O P I N I O N

This is an application by Southwestern Home Telephone Company for authority to issue two promissory notes, one to Mary A. Prendergast to refund a note of \$8,000 now held by her, and to issue a new note in the sum of \$3,000 to take up a note for \$3,000 now held by Mr. C. B. Hoadley.

Applicant desires also to issue as collateral security for these notes, bonds of the Southwestern Home Telephone Company in the total amount of \$22,000, at the ratio of \$2 face value of bonds to \$1 face value of notes.

The affairs of this corporation have been reviewed in connection with this Commission's decision on Application No. 871 to which reference is hereby made. The authorization herein requested will merely keep this applicant in its present status pending the complete review of its financial condition. Bonds in the sum of \$22,000 are now pledged for the notes which it is proposed to refund, and they will be left outstanding as they now are, if this order is granted.

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

O R D E R

Southwestern Home Telephone Company having applied to this Commission for authority to issue a note in the sum of \$8,000 to Mary A. Prendergast and to issue a note of \$3,000 to an unspecified payee and to pledge as security for said notes, bonds of the Southwestern Home Telephone Company at the ratio of \$2 face value of bonds for \$1 face value of notes,

And a hearing having been held and it appearing that the purposes for which the notes, now proposed 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 Southwestern Home Telephone Company be granted authority and it is hereby granted authority to issue a promissory note in the sum of \$8,000 to Mary A. Prendergast, payable not to exceed two years after date, at a rate not to exceed 8 per cent per annum, said note to be used to refund a note in like amount now held by Mary A. Prendergast.

IT IS FURTHER ORDERED that Southwestern Home Telephone Company be granted authority and it is hereby granted authority to issue a promissory note in the sum of \$3,000, payable not to exceed two years from date, with interest not to exceed 8 per cent per annum, said note to be used to refund a note of like amount in favor of C. B. Hoadley.

IT IS FURTHER ORDERED that Southwestern Home Telephone Company be granted authority and it is hereby granted authority to issue \$22,000 of Southwestern Home Telephone Company bonds as collateral security for the notes herein authorized to be issued, at a ratio of \$2 face value of bonds for \$1 face value of notes; the bonds herein authorized to be so pledged being the bonds which are now pledged as collateral security for the notes which the applicant herein proposes to refund.

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

(1) The notes herein authorized to be issued shall net the applicant the face value thereof.

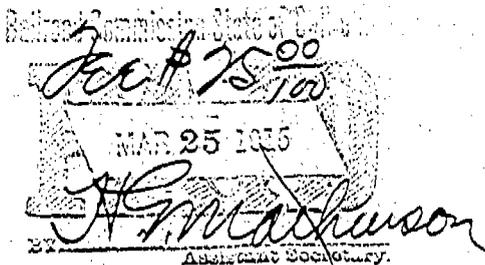
(2) Within thirty days after the notes herein authorized to be issued shall have been issued, the applicant shall make a report to this Commission of such issue, stating that the notes to be refunded have been canceled.

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

(4) The authority herein granted shall apply to such notes as shall have been issued on or before December 31, 1915.

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 March, 1915.



Max Thelen
H. S. Ireland
Chas. F. ...
Francis P. Devel
Commissioners.