

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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ORIGINAL

In the matter of the Application of)
SOUTHWESTERN HOME TELEPHONE COMPANY)
for authority to issue notes to)
refund certain other notes.)

Application No. 1607.

GORDON, Commissioner.

OPINION.

This is an application by Southwestern Home Telephone Company of Redlands for authority to issue promissory notes in the sum of \$14,500.00 and to pledge \$29,000.00 of its bonds as collateral security for said notes. It is the purpose to issue the new notes to refund the notes which have already matured.

The affairs of this applicant have been reviewed in previous decisions of this Commission, to which reference is hereby made. In order to preserve the present status of this applicant, I believe the application should be granted. This order will not increase the indebtedness and will merely allow bonds already pledged to remain pledged. The applicant is preparing a reorganization of its finances in accordance with opinions expressed by this Commission in previous decisions. Accordingly, I recommend the following form of Order:

ORDER.

Southwestern Home Telephone Company having applied to this Commission for authority to issue promissory notes of the face value of \$14,500.00 and to pledge as collateral security for said notes its bonds of the face value of \$29,000.00, and a hearing having been held and it appearing that the purposes for which it is desired to issue said notes and pledge said bonds are proper purposes under the terms of the Public Utilities Act,

IT IS HEREBY ORDERED that Southwestern Home Telephone Company be granted authority and it is hereby granted authority to issue its promissory notes of the face value of \$14,500.00, and to pledge as collateral security for said notes its bonds of the face value of \$29,000.00.

The authority herein granted to the applicant to issue said notes and to pledge said bonds is granted upon the following conditions and not otherwise:

(1).- The notes herein authorized to be issued shall be issued for the purpose of refunding the following notes:

Note in favor of E.J. Woolberton, dated March 11, 1911,	\$3,000.00
Note in favor of Mary S. Sargent, dated March 17, 1912,	7,000.00
Note in favor of E.M. Isard, dated August 30, 1911,	4,500.00

(2).- The notes herein authorized to be issued shall bear interest not to exceed 8 per cent. per annum and shall mature not later than three years from date.

(3).- The bonds herein authorized to be pledged shall be pledged in such ratio that the face value of the notes herein authorized to be issued, at any time issued and outstanding, shall not be less than 50 per cent. of the face value of the bonds pledged.

(4).- Within thirty days after the notes herein authorized to be issued shall have been issued and the bonds herein authorized to be pledged shall have been pledged, the applicant shall report such issue and pledge to this Commission, and shall report also that the notes herein authorized to be refunded have been cancelled.

(5).- The authority herein granted to issue said notes and pledge said bonds is conditioned upon the payment of the fee prescribed in the Public Utilities Act.

(6).- The authority herein granted shall apply to such notes as shall have been issued and to such bonds as shall have been pledged 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 5th day of ~~April~~ ^{May}, 1915.

Railroad Commission, State of California

W. A. # 7500
MAY 12 1915
A. L. Mathewson
BY Assistant Secretary.

Max Shiloh

Oliver Gordon

Frank R. Decker

Consumers.