

Decision No. \_\_\_\_\_

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

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In the matter of the Application of  
SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS }  
for authority to pledge as collateral }  
security its general lien bonds. }

Application

No. 1152.

ORIGINAL

Decision No. 2662

BY THE COMMISSION.

THIRD SUPPLEMENTAL OPINION.

In this supplemental application, San Francisco-Oakland Terminal Railways asks for authority to pledge as collateral its general lien mortgage bonds of the face value of \$18,000.

In a preliminary order, dated June 23, 1914 (Decision No. 1604), which was amended by an order dated January 29, 1915 (Decision No. 2109), this Commission authorized San Francisco-Oakland Terminal Railways to pledge as collateral, subject to certain conditions, \$1,000,000 face value of general lien mortgage bonds. In accordance with these orders, applicant reports that it has pledged \$815,000 face value of its general lien mortgage bonds. Some of the obligations, for which said bonds have been pledged, have been paid, and bonds in excess of \$18,000 have been returned to applicant's treasury.

On June 30, 1915, the Superior Court of Alameda County, in the case of Theo C. Forrester, plaintiff, vs. San Francisco-Oakland Terminal Railways, a corporation, defendant, entered a judgment against the defendant for the sum of \$8,500. Applicant is of the opinion that good ground exists for the reversal of said judgment and intends to appeal to the Supreme Court of the State of California. To stay

of the  
the execution/judgment while the appeal is pending, applicant will have to file a bond for \$19,000. Commonwealth Bonding and Casualty Insurance Company has agreed to act as the surety on said stay bond, subject to the deposit with it of \$18,000 face value of general lien mortgage bonds of San Francisco-Oakland Terminal Railways, according to the conditions specified in an agreement marked Exhibit "B", attached to this application.

We herewith submit the following form of Order.

THIRD SUPPLEMENTAL ORDER.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS having applied to this Commission for authority to pledge \$18,000 face value of its general lien mortgage bonds, the issuance of which has heretofore been authorized by this Commission, with Commonwealth Bonding and Casualty Insurance Company,

And good cause appearing,

IT IS HEREBY ORDERED that San Francisco-Oakland Terminal Railways be given authority, and it is hereby given authority, to pledge with Commonwealth Bonding and Casualty Insurance Company \$18,000 face value of its general lien mortgage bonds.

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

- (1). The bonds herein authorized to be pledged shall be pledged with Commonwealth Bonding and Casualty Insurance Company only for the purpose of indemnifying said surety company for a bond to be furnished by the surety company to be filed with the Superior Court of Alameda County to stay execution of the judgment in a case entitled Theo C. Forrester, plaintiff, vs. San Francisco-Oakland Terminal Railways, a corporation, defendant.

- (2). San Francisco-Oakland Terminal Railways shall within 10 days file a statement in writing with this Commission that when the damage case heretofore referred to shall have been decided by the Supreme Court of the State of California, it will take necessary steps to secure the release of the bonds herein authorized to be issued.
- (3). San Francisco-Oakland Terminal Railways shall report within 30 days such action as it may take under the order herein.
- (4). The authority herein given shall apply to such bonds as shall have been pledged with Commonwealth Bonding and Casualty Insurance Company on or before August 31, 1915.

IT IS HEREBY FURTHER ORDERED that this Commission's order dated June 25, 1914 (Decision No. 1604), and the order dated January 29, 1915 (Decision No. 2109) shall remain in full force and effect, except in so far as modified by this Third Supplemental Order.

Dated at San Francisco, California, this 4<sup>th</sup> day of August, 1915.

Max Thelen  
H. H. Ireland

Frank R. Smith

Commissioners.