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Decision No.     

ORIGINAL

Decision No. 2797

BEFORE THE RAILROAD COMMISSION OF  
THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
HUMBOLDT TRANSIT COMPANY, a corpora- )  
tion, for an order authorizing it to )  
issue and pledge eight of its first )  
mortgage five per cent. sinking fund )  
thirty-year gold bonds to WILLIAM )  
BUTTERWORTH as collateral security. )

Application

No. 1888.

Horace R. Hudson for Applicant.

BY THE COMMISSION.

O P I N I O N

This is an application by HUMBOLDT TRANSIT COMPANY for an order authorizing the issue of a one-year note for \$4,000.00, with interest at five per cent. per annum, and authorizing applicant to pledge as collateral security for the payment of said note \$8,000.00 of applicant's first mortgage five per cent. gold bonds.

A public hearing was held in San Francisco on September 29, 1915.

The evidence shows that applicant is engaged in the operation of a street railroad situated in

the city of Eureka; that during the month of August, 1915, it purchased a certain block of land in said city for the sum of \$4,000.00, for the purpose of using said land as the site for a carhouse; and that applicant desires to use the proceeds of this note for reimbursing itself for the purchase of said property. The evidence further shows that said property will be used by applicant for the construction, extension and improvement of its facilities and service. The money is to be borrowed from William Butterworth, applicant's president.

#### O R D E R

HUMBOLDE TRANSIT COMPANY having applied to this Commission for an order authorizing the issue of a certain promissory note for \$4,000.00, as herein after more fully described, and for authority to pledge certain bonds as security therefor;

And a public hearing having been held on said application, and the Railroad Commission finding that the purposes for which said note, or the proceeds thereof, are to be used are not in whole or in part reasonably chargeable to operating expenses or to income, and that the application should be granted;

IT IS HEREBY ORDERED that Humboldt Transit Company be, and the same is hereby, authorized to issue its promissory note for \$4,000.00 to William Butterworth, said note to bear interest at the rate of five per cent. per annum, and to be payable on or before one year from the date of issue, and said Humboldt Transit Company is further authorized to pledge to said William Butterworth as collateral security for the payment of said note \$8,000.00 of said applicant's first mortgage five per cent. sinking fund thirty-year gold bonds. The authority herein granted is granted upon the following conditions, and not otherwise:

1. Humboldt Transit Company shall issue said note so as to net not less than the face value thereof;
2. Upon payment of said note the said \$8,000.00 of bonds given as collateral security shall be returned to applicant's treasury and shall not thereafter be issued without the authority of this Commission;
3. Within thirty days after the note 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 fact to this Commission, together with a statement of the face value of the note issued, the date, maturity, rate of interest and payee of said note;

4. The note herein authorized shall be issued by applicant on or before November 30, 1915;

5. This order shall not become effective until Humboldt Transit Company has paid the fee specified in Section 57, as amended, of the Public Utilities Act.

Dated at San Francisco, California, this 30<sup>th</sup> day of September, 1915.

Max Thelen

Alex Gordon

Edwin O. Edgerton

Frank R. Dehn

Commissioners.

Fee \$75.00  
OCT 2 1915  
H. M. Madsen  
Assistant Secretary