

ORIGINAL

Decision No. 2968

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Oakland, Antioch and Eastern Railway for leave to issue certain notes and bonds.

Application No. 1730

BY THE COMMISSION.

FIRST SUPPLEMENTAL ORDER

WHEREAS, applicant was on the 20th day of November, 1915, by order of the Commission, authorized to issue its bonds and to pledge the same as collateral security for notes to be given by applicant to its stockholders for loans to be made by said stockholders to applicant, said bonds to be pledged on a basis of 80 per cent of face of notes to 100 per cent of bonds, and the bonds so <sup>to be</sup> pledged to be obtained from bonds now in pledge as collateral security for the notes now outstanding, and

WHEREAS, applicant now represents that prior to the making of said order certain of its stockholders had advanced to said company \$90,911 with the understanding that said stockholders should be treated as to said advances the same as other stockholders who might hereafter loan the company money, and

WHEREAS, applicant now requests that said order be modified so as to permit applicant to give notes to said stockholders who have advanced said \$90,911 and pledge bonds as collateral security for the payment of said notes on the basis of 80 per cent of face of notes to 100 per cent of face

of bonds, and

WHEREAS, applicant represents that it will have on hand only 41 bonds, obtained from pledge as aforesaid, and that in order to pledge bonds on the basis heretofore authorized it will be necessary to obtain the authorization of this Commission that 73 additional bonds, not now in pledge, be authorized to be issued, and

WHEREAS, it appears that the \$90,911 heretofore advanced by said stockholders has been used by applicant for capital purposes, and it appears just that if the stockholders who advanced this money, in reality loaned it to the company, they should be treated the same as stockholders who hereafter loan money to applicant, and

WHEREAS, there is not ~~now before this~~ Commission sufficient proof upon which to base a conclusion as to whether said \$90,911 was loaned to said applicant, and

WHEREAS, auditors of the Interstate Commerce Commission after a careful examination of the applicant's books, are now and for the next several months will be engaged in bringing about an adjustment of the company's books, and therefore it will be impossible for applicant to comply with that condition in the Commission's order which provides that a readjustment of its books shall be submitted to this Commission within sixty days,

NOW, THEREFORE, IT IS HEREBY ORDERED that the order heretofore made herein on the 20th day of November, 1915, be and the same is hereby amended, and applicant is hereby authorized to issue promissory notes at face value not to exceed a total face value of \$90,911 to stockholders who have heretofore actually loaned applicant money which was used for capital purposes, and to issue 73 bonds not now in pledge, or obtained from pledge, or such number of said bonds as may be necessary, and to pledge such bonds

as security for the payment of said promissory notes upon a basis of 80 per cent face of notes to 100 per cent face of bonds.

IT IS HEREBY FURTHER ORDERED that that provision in said order reading as follows:

"IT IS HEREBY FURTHER ORDERED that the applicant shall, within sixty days, submit to this Commission for its approval, a readjustment of its books of account, to the end that such books of account shall show the true financial condition of this applicant."

be and the same is hereby annulled.

In all other respects said order shall remain in full force and effect.

Dated at San Francisco, California, this 11th day of December, 1915.

*Max Thelen*  
*H. H. Howard*  
*W. G. ...*  
*Edwin O. Edgerton*

Commissioners.