

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
 of SAN DIEGO AND ARIZONA RAILWAY )  
 COMPANY, a corporation, for au- )  
 thority to issue a certain pro- )  
 missory note in the sum of )  
 \$350,000.00. )

Application No. 2147

LOVELAND, Commissioner.

O P I N I O N

This is an application of San Diego and Arizona Railway Company for authority to issue a one day promissory note in the total principal sum of \$350,000.00, bearing interest at five per cent per annum and payable to Union Trust Company of San Francisco.

Applicant desires to issue this note in order to renew a similar note dated March 1, 1912, the proceeds from which were used in the construction of the railway company's line.

In connection with this application, San Diego and Arizona Railway Company has submitted a statement showing its

financial condition as of February 29, 1916. This statement shows that the Company has a total authorized issue of common stock amounting to \$6,000,000, of which \$2,000,000. is issued and outstanding, being 20,000 shares of the par value of \$100.00 per share.

The Company has a total authorized bond issue of \$10,000,000., first lien five per cent sinking fund forty year gold bonds, the same having been authorized by this Commission on February 9, 1914, (Vol. 4, Opinions and Orders of the Railroad Commission of California, page 177). The Company reports that none of these bonds have been issued to date.

As of February 29, 1916, applicant had outstanding promissory notes as follows:-

<u>Date of Note</u>	<u>Amount of Note</u>	<u>Date of Maturity</u>	<u>Int. Rate</u>	<u>Amount of Interest paid last fiscal year</u>
<u>In Favor of Union Trust Co. of San Francisco</u>				
Mar. 1, 1912	\$350,000.00	Mar. 2, 1912	5%	\$ 17,743.13
Aug. 18, 1914	275,000.00	Aug. 19, 1914	5%	13,941.01
<u>In Favor of Wells Fargo Nevada National Bank</u>				
Jan. 31, 1915	730,000.00	Feb. 1, 1915	5%	37,006.96
<u>In Favor of The Anglo &amp; London Paris National Bank</u>				
Nov. 8, 1915	25,000.00	Nov. 9, 1915	5%	
Nov. 8, 1915	25,000.00	Nov. 9, 1915	5%	
Nov. 8, 1915	25,000.00	Nov. 9, 1915	5%	
<u>In Favor of J. D. Spreckels &amp; Bros. Co., Trustee</u>				
Aug. 27, 1913	1,067,901.12	Feb. 27, 1914	6%	

<u>Date of Note</u>	<u>Amount of Note</u>	<u>Date of Maturity</u>	<u>Int. Rate</u>	<u>Amount of Interest paid during last fiscal year.</u>
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In Favor of J.D.Spreckels & Bros. Co.

Sept. 30, 1914	\$1,830,657.92	Oct. 1, 1914	6%	\$ 83,294.93
Oct. 31, 1914	120,222.50	Nov. 1, 1914	6%	4,848.97
Nov. 30, 1914	107,421.71	Dec. 1, 1914	6%	3,795.56
Dec. 31, 1914	130,317.30	Jan. 1, 1915	6%	3,931.24
Jan. 31, 1915	90,161.66	Feb. 1, 1915	6%	2,254.05
Feb. 28, 1915	110,166.66	Mar. 1, 1915	6%	2,240.05
Mar. 31, 1915	105,208.49	Apr. 1, 1915	6%	1,595.66
Apr. 30, 1915	130,304.17	May 1, 1915	6%	1,324.76
May 31, 1915	90,245.83	Jun. 1, 1915	6%	451.23
June 30, 1915	125,267.50	July 1, 1915	6%	
July 31, 1915	90,155.00	Aug. 1, 1915	6%	
Aug. 31, 1915	45,088.34	Sept. 1, 1915	6%	
Sept. 30, 1915	130,290.00	Oct. 1, 1915	6%	
Oct. 31, 1915	130,220.83	Nov. 1, 1915	6%	
Nov. 30, 1915	60,114.99	Dec. 1, 1915	6%	
Dec. 31, 1915	110,270.83	Jan. 1, 1916	6%	
Jan. 31, 1916	75,094.99	Feb. 1, 1916	6%	
Feb. 29, 1916	50,175.00	Mar. 1, 1916	6%	
	<u>\$6,029,284.84</u>			<u>\$172,427.55</u>

In addition applicant reports other indebtedness as follows:-

Accounts Payable,.....	\$ 50,604.88
Interest Matured Unpaid,.....	171,091.23
Unmatured Interest Accrued,...	631.75
Retained percentages due	
Contractors,.....	<u>46,981.13</u>
Total,.....	\$269,308.99

After a consideration of the evidence submitted by applicant it appears that this application should be granted and I accordingly submit the following form of Order:

O R D E R

SAN DIEGO AND ARIZONA RAILWAY COMPANY having applied to this Commission for authority to issue a one day promissory note in the total principal sum of \$350,000.00, bearing interest at five

per cent per annum and payable to Union Trust Company of San Francisco;

And a hearing having been held;

And it appearing to this Commission that applicant's request is reasonable and should be granted and that the purposes for which it is proposed to issue said note are not reasonably chargeable in whole or in part to operating expenses or to income;

IT IS HEREBY ORDERED that applicant be and it is hereby authorized to issue a one day promissory note in the total principal sum of \$350,000.00, bearing interest at five per cent per annum and payable to Union Trust Company of San Francisco.

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

- 1.-The note herein authorized to be issued shall be issued for the sole purpose of refunding a note in like tenor and amount dated March 1, 1912 and payable to Union Trust Company of San Francisco.
- 2.-San Diego and Arizona Railway Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the note herein authorized to be issued; and on or before the twenty-fifth day of each month the Company shall make verified reports to the Commission stating the sale or sales of said note during the preceding month, the terms and conditions of the sale, the moneys realized therefrom, and the use and application of such moneys, all in accordance with this Commission's General Order No. 24, which order, in so far

3.-The authority herein granted is conditioned upon the payment by applicant of the fee prescribed in the Public Utilities Act. ~~cc-public-ut~~

The foregoing Opinion and Order are hereby approved  
and ordered filed as the Opinion and Order of the Railroad Commission.

**Railroad Commission State of California**

JE #3607

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~~ABSOLUTE SECRET~~

Max Theiler

Thorvald

Mr. Gordon

Frau R. Decker

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