

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

ORIGINAL

Decision No. 3630

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of the MINKLER SOUTHERN RAILWAY COMPANY, a corporation, and THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a corporation, for an order authorizing the former company to issue to the latter company twenty-eight thousand dollars worth of the former company's capital stock.

Application No. 2503.

E. W. Camp and Robert Brennan for applicants.

BY THE COMMISSION:

O P I N I O N.

In this application, Minkler Southern Railway Company asks authority to issue 280 shares of its common capital stock of the par value of \$100 per share, and The Atchison, Topeka and Santa Fe Railway Company asks authority to acquire said capital stock.

In Decision No. 1508, dated May 14, 1914, (Vol. 4, Opinions and Orders of the Railroad Commission of California, page 993), this Commission authorized Minkler Southern Railway Company to issue to The Atchison, Topeka and Santa Fe Railway Company \$42,000 par value of its capital stock. In said Decision No. 1508, attention is called to the fact that Minkler Southern Railway Company is engaged in constructing a steam standard gauge railway line from Minkler, Fresno County, to

Exeter, Tulare County, a distance of 40 miles, with a branch of 1½ miles running east from Cutler Station. Since the date of said Decision No. 1508, Minkler Southern Railway Company has amended its articles of incorporation so as to permit it to extend its line from Exeter in a general south-easterly direction to Porterville via Lindsay, a distance of about 19½ miles. The amended articles of incorporation also permit Minkler Southern Railway Company to build additional branch lines and spurs aggregating 9 miles. When completed, this line of railway will be approximately 70 miles in length. Capital stock has been subscribed at the rate of \$1000 per mile as required by law.

The petition alleges that The Atchison, Topeka and Santa Fe Railway Company caused Minkler Southern Railway Company to be incorporated for the purpose of constructing the aforesaid line of railway and with the intention of making it a part of its railway system. It is advancing all the moneys expended in constructing the line of Minkler Southern Railway Company. Up to June 30, 1916, The Atchison, Topeka and Santa Fe Railway Company reports advances aggregating \$1,558,392.46. Against the advances made from time to time will be credited the par value of the stock which it seeks to acquire in pursuance to this application. The 420 shares heretofore issued has been so credited. It now operates the portion of the line constructed under lease approved by Decision No. 3200, dated March 28, 1916.

O R D E R.

MINKLER SOUTHERN RAILWAY COMPANY having applied to the Railroad Commission for an order authorizing

the issue of 280 shares of its common capital stock of the par value of \$100 per share, and The Atchison, Topeka and Santa Fe Railway Company having asked for an order authorizing said company to acquire said capital stock.

AND A PUBLIC HEARING HAVING BEEN HELD and the Railroad Commission finding that the purposes for which said capital stock is to be issued are not in whole or in part reasonably chargeable to operating expenses or income.

IT IS HEREBY ORDERED that Minkler Southern Railway Company is hereby authorized to issue 280 shares of its <sup>common</sup> capital stock, of the par value of \$100 per share, to The Atchison, Topeka and Santa Fe Railway Company, and The Atchison, Topeka and Santa Fe Railway Company is hereby authorized to acquire said 280 shares of common capital stock of Minkler Southern Railway Company.

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

1. Minkler Southern Railway Company shall sell the stock hereby authorized to be issued at not less than the par value thereof.

2. The Atchison, Topeka and Santa Fe Railway Company, immediately upon the receipt of the stock hereby authorized to be issued, shall credit Minkler Southern Railway Company with not less than \$28,000, as an offset for advances heretofore made.

3. Minkler Southern Railway Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale

of the stock hereby authorized to be issued, and on or before the twenty-fifth day of each month the company shall make a verified report to the Railroad Commission stating the sale or sales of said stock during the preceding month, the terms and conditions of the sale and the moneys realized therefrom, and the use and application of such moneys, all in accordance with the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

4. The authority hereby granted shall apply only to such capital stock as may have been issued on or before October 15, 1916.

Dated at San Francisco, California,  
this 8<sup>th</sup> day of September, 1916.

Max Thelen

H. H. Woodland

Edwin O. Edgerton

Franz P. DeWitt

Commissioners.