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Decision No. _____

ORIGINAL

Decision No. 3880

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of LOS ANGELES AND SAN DIEGO BEACH)
RAILWAY COMPANY, a corporation, for)
an order authorizing the pledge of)
a portion of its first mortgage bonds)
to secure its promissory note to)
Southern Trust and Savings Bank, a)
corporation.)

Application No. 2613.

Leovy and Leovy for Applicant.

BY THE COMMISSION.

O P I N I O N

This is an application of Los Angeles and San Diego Beach Railway Company for authority to pledge its first mortgage five and one-half per cent sinking fund gold bonds in a ratio not to exceed \$100. of bonds to \$70. of notes as security for a six months note to Southern Trust and Savings Bank of San Diego in the principal sum of \$11,000.00 dated September 25, 1916 and bearing interest at 7 per cent per annum.

The note in question was authorized by this Commission in its Decision Number 3276, dated April 21, 1916.

Applicant has an authorized bond issue of \$375,000. of first mortgage five and one-half per cent sinking fund gold bonds under which \$5,000.00 face value of bonds have been issued

and sold and \$70,000. face value pledged as collateral for various promissory notes.

Applicant's note indebtedness as set forth in the application amounts to \$86,797.75.

It appears that the application in this matter is the result of a request made upon the applicant by Southern Trust and Savings Bank.

O R D E R

LOS ANGELES AND SAN DIEGO BEACH RAILWAY COMPANY having applied to this Commission for authority to pledge its first mortgage five and one-half per cent sinking fund gold bonds as security for a note to Southern Trust and Savings Bank in the principal sum of \$11,000.00 as hereinbefore set forth;

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 bonds are not reasonably chargeable in whole or in part to operating expenses or to income;

IT IS HEREBY ORDERED that Los Angeles and San Diego Beach Railway Company be and it is hereby authorized to pledge its first mortgage five and one-half per cent sinking fund gold bonds in a ratio of not to exceed \$100. of bonds for each \$70.00 of notes as collateral security for a six months note to Southern Trust and Savings Bank of San Diego in the principal sum of \$11,000.00, dated September 25, 1916, and bearing interest at 7 per cent per annum.

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

1.-When the above note to Southern Trust and Savings Bank shall have been paid or otherwise discharged the bonds herein authorized to be pledged shall be returned to applicant's treasury and not thereafter issued without the approval of this Commission.

2.-The authority herein granted shall apply only to such bonds as shall have been pledged on or before June 30, 1917.

3.-Los Angeles and San Diego Beach Railway Company shall keep separate, true and accurate accounts relative to the pledge of the bonds herein authorized to be pledged and on or before the twenty-fifth day of each month the company shall make verified reports to this Commission in accordance with this Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

4.-The authority herein granted is conditioned upon the payment by applicant of the fee prescribed in the Public Utilities Act as amended.

Dated at San Francisco, California, this 17th day of November, 1916.

H. J. [Signature]
[Signature]

Frank P. [Signature]

Commissioners.