

ORIGINAL

MM

Decision Number _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of DEL NORTE PEOPLES TELEPHONE)
COMPANY, a corporation, for con-)
sent to renewal of a certain)
note.)

Application No. 2959

BY THE COMMISSION.

O P I N I O N

In this application Del Norte Peoples Telephone Company asks authority to issue a renewal note in the sum of \$900.00 and to secure said note by the execution of a chattel mortgage in substantially the same form as the chattel mortgage attached to Application Number 1771 and marked Exhibit "A".

Applicant also asks authority to refund the \$900.00 note to be issued, if this application is granted, by the issue of nine One Hundred Dollar Six Per Cent Three Year Notes and secure the payment thereof by the deposit under an escrow agreement of 2,057-1/2 shares of its unissued capital stock.

Applicant reports that it has an authorized stock issue of \$10,000.00 divided into ten thousand shares

of the par value of One Dollar per share. Stock in the amount of \$7,942.50 is outstanding. The Commission does not look with favor upon the pledging of stock as proposed by applicant herein. We believe that the issue of the nine One Hundred Dollar Three Year Six Per Cent Notes and the pledging of stock to secure the payment thereof should be held in abeyance and applicant given an opportunity to make some other arrangement to secure the payment of the notes. When the matter of security is finally arranged to the satisfaction of the Commission, it will issue a supplemental order granting such authority as it may deem advisable.

O R D E R

DEL NORTE PEOPLES TELEPHONE COMPANY having applied to this Commission for authority to issue a \$900.00 note and execute a chattel mortgage to secure the payment of the note and refund said \$900.00 note by the issue of nine One Hundred Dollar Notes and secure the payment of said notes by the pledge of stock as set forth in the foregoing Opinion;

And a hearing having been hold;

And it appearing to this Commission that the money to be procured by such issue is reasonably required for the purpose specified in the order;

IT IS HEREBY ORDERED that Del Norte Peoples Telephone Company be given and hereby is given authority to issue its One Year Eight and One-Half Per Cent Note of the principal sum of \$900.00. in renewal of a promissory note for the same amount now outstanding.

IT IS HEREBY FURTHER ORDERED that Del Norte Peoples Telephone Company be given and hereby is given authority to execute a chattel mortgage to secure the payment of the

note hereby authorized to be issued, said chattel mortgage to be substantially in the same form as the chattel mortgage attached to Application Number 1771 and marked Exhibit "A".

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

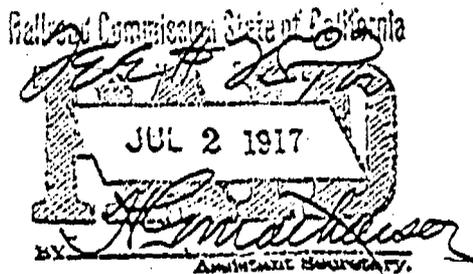
1.-Applicant shall report to this Commission the name of the payee, the date of issue, the date of maturity and rate of interest, the face value of the note and the purposes for which the proceeds were used, within thirty days after the issue of the note hereby authorized.

2.-Applicant shall file with this Commission a copy of the chattel mortgage hereby authorized to be executed within thirty days after its execution.

3.-Applicant may issue its note for the sum of \$900.00 for a term less than one year and refund said note by the issue of renewal notes, provided that the term for which the note was originally issued plus the term of the renewal notes does not exceed the period of one year.

4.-The authority herein given shall apply only to such notes as may be issued on or before March 30, 1918.

Dated at San Francisco, California, this 14th day of June, 1917.



Max Thelen

Edwin O. Edgerton

Francis R. DeWitt

Commissioners.