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ORIGINAL

Decision No. 5193-

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

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of )  
 SAN DIEGO AND ARIZONA RAILWAY COMPANY )  
 for permission to purchase and hold all )  
 of the issued capital stock of the SAN )  
 DIEGO AND SOUTHEASTERN RAILWAY COMPANY )  
 and to issue bonds to pay for same, )  
 and of SAN DIEGO AND SOUTHEASTERN )  
 RAILWAY COMPANY to sell its property )  
 to SAN DIEGO AND SOUTHEASTERN RAILWAY )  
 COMPANY. )

Application Number 3328.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER.

WHEREAS, the Railroad Commission by Decision Number 4897 dated November 27, 1917, authorized SAN DIEGO AND ARIZONA RAILWAY COMPANY to acquire the outstanding capital stock ~~-\$1,650,000.00-~~ of the SAN DIEGO AND SOUTHEASTERN RAILWAY COMPANY, or its physical assets, or both its physical assets and stock, and issue in payment therefor \$1,500,000.00 of 6 per cent bonds provided that prior to the issue of any bonds the Railroad Commission has approved the company's amended deed of trust and the bookkeeping entries relative to the transfer of the properties; and

WHEREAS, San Diego and Arizona Railway Company has filed with the Railroad Commission a statement showing how it proposes to take upon its books the investment in the properties of the San Diego and Southeastern Railway Company, a copy of the proposed deed of conveyance and reports that steps are now being taken to create a new and original bonded indebtedness and execute a new deed of trust under the terms of which it will issue the \$1,500,000.00 of bonds, but that

necessarily considerable time will elapse before said bonded indebtedness can be created, the deed of trust approved and executed and the bonds issued thereunder; that it is the desire both of the San Diego and Arizona Railway Company and San Diego and Southeastern Railway Company that the properties be taken over and operated by the San Diego and Arizona Railway Company as its property without further delay; that both companies are willing and consent that the consideration to be paid therefor be carried on the books of the respective companies as an indebtedness of the San Diego and Arizona Railway Company to the San Diego and Southeastern Railway Company with interest at 6 per cent per annum from October 1, 1917, the effective date of the transfer of the properties as provided in the deed of conveyance, until such time as the bonded indebtedness has been created and the bonds can be delivered in settlement and satisfaction of said indebtedness; and

WHEREAS, San Diego and Arizona Railway Company asks the Railroad Commission to modify the order in Decision Number 4897, dated November 27, 1917, so as to enable it to acquire the properties of San Diego and Southeastern Railway Company at once; and

WHEREAS, it appears to the Railroad Commission that petitioner's request is reasonable and that it should be granted,

IT IS HEREBY ORDERED that the authority granted by the order in Decision Number 4897, dated November 27, 1917, to San Diego and Southeastern Railway Company to sell its physical assets and properties including its franchises and permits to San Diego and Arizona Railway Company, shall be effective forthwith, said properties to be transferred pursuant to the terms and conditions in the deed of conveyance dated February 19, 1918, a copy of which has been filed herein, it being understood that the consideration amounting to \$1,500,000.00 be permitted to stand on the books of San Diego and Arizona Railway Company as an indebtedness owing to the San Diego and

Southeastern Railway Company with interest at 6 per cent per annum from October 1, 1917 until such time as the bonds authorized to be issued in payment for the properties have been delivered in settlement of said indebtedness.

IT IS HEREBY FURTHER ORDERED that the bookkeeping entries submitted by San Diego and Arizona Railway Company, pursuant to Condition "2" of the order in Decision Number 4897 dated November 27, 1917, be, and the same are hereby, approved.

IT IS HEREBY FURTHER ORDERED that the order in Decision Number 4897 dated November 27, 1917, shall remain in full force and effect except as modified by this First Supplemental Order.

Dated at San Francisco, California, this 11th day of March, 1918.

Max Thelen  
H. Leonard  
Edwin O. Edgerton

Commissioners.