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ORIGINAL

Decision No. 5566

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
OAKLAND, ANTIOCH AND EASTERN RAILWAY) Application No. 3777.
to issue certain notes.)

Jesse H. Steinhart, for applicant.

GORDON, Commissioner.

O P I N I O N

On September 1, 1914, Oakland, Antioch and Eastern Railway issued to Union Trust Company of San Francisco its \$20,000.00 6 per cent demand note. On September 17, 1914, Oakland, Antioch and Eastern Railway issued to Union Trust Company of San Francisco its \$5,000.00 6 per cent demand note. On the former note there is now due \$14,550.55; on the latter \$362.80. Oakland, Antioch and Eastern Railway asks authority to issue new 6 per cent notes for a term of one year or less for the purpose of paying or refunding the balance due on the aforementioned notes.

The testimony shows that the funds obtained through the issue of the notes were used for capital purposes.

Applicant reports, that pursuant to the authority granted in Decision Number 891, dated August 19, 1913, it pledged as collateral first mortgage bonds, to secure the payment of the notes referred to above, and that as payments have been made on the notes

a proper proportion of the bonds have been returned to applicant's treasury. Applicant desires authority to re-issue the bonds now pledged as collateral.

I herewith submit the following form of Order:

O R D E R

OAKLAND, ANTIOCH AND EASTERN RAILWAY having applied to the Railroad Commission for authority to issue notes and to issue and pledge bonds as collateral to secure the payment of said notes, a hearing having been held, and it appearing that the money, property or labor to be procured by the issue of the notes is reasonably required for the purpose or purposes specified in the order herein, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Oakland, Antioch and Eastern Railway be, and it is hereby, granted authority to issue, at par, to Union Trust Company of San Francisco, its 6 per cent promissory note, payable within one year or less, for the principal sum of \$14,550.55; to issue, at par, to Union Trust Company of San Francisco its 6 per cent promissory note payable within one year or less for the principal sum of \$362.80, and to secure the payment of said notes by issuing and pledging as collateral first mortgage bonds in the proportion of \$100.00 of bonds for each \$60.00 of notes herein authorized to be issued; provided that as payments are made on said notes a proper proportion of the bonds shall be returned to applicant's treasury and hereafter issued only as authorized by the Railroad Commission.

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

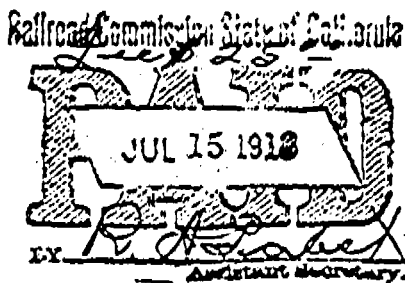
1.-Oakland, Antioch and Eastern Railway shall file monthly reports as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this Order.

2.-The authority herein granted to issue notes and bonds shall not become effective until Oakland, Antioch and Eastern Railway has paid the fee specified in Section 57 of the Public Utilities Act.

3.-The authority herein granted shall apply only to such notes or bonds as may be issued on or before October 1, 1918.

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

Dated at San Francisco, California, this 19th day of July, 1918.



[Signature]
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Commissioners.