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Decision No. 5955.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

* * *

In the Matter of the Application of)	
OAKLAND, ANTIOCH AND EASTERN RAILWAY)	<u>Application No. 4095.</u>
to issue a certain note.)	

Jesse H. Steinhart for applicant.

EDGERTON, Commissioner.

O P I N I O N .

OAKLAND, ANTIOCH AND EASTERN RAILWAY asks authority to issue a \$40,000 7 per cent note to the California National Bank of Sacramento for the purpose of renewing a note of a similar amount. It asks permission to issue the note for a term of one year or less.

The issue of the note now outstanding was authorized by the Commission in Decision Number 4623, dated September 6, 1917. The payment of the note is secured by 86 Oakland, Antioch and Eastern Railway bonds. The new note is to be secured by the same bonds.

The record shows that the proceeds from the note were used for the purchase of equipment and the construction of applicant's line of railway.

It appears that the granting of this application merely maintains the status quo of applicant.

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 a \$40,000 note and to pledge bonds as collateral to secure the payment of said note, a hearing having been held and it appearing that the money, property or labor to be procured by the issue of the note is reasonably required for the purpose specified in the order and that the expenditure for such purpose is 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 to the California National Bank its note for the principal amount of \$40,000, bearing interest at a rate not exceeding 7 per cent per annum, for the purpose of renewing a note of a like amount now outstanding, and to issue and pledge as security for the payment of the note herein authorized the following bonds of the Oakland, Antioch and Eastern Railway: --Numbers 3121 to 45, Numbers 3148 to 51, Numbers 3389 to 3400, Numbers 3701 to 25 and Numbers 4422 to 41.

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

1.-- The note herein authorized to be issued shall be made payable during a period not exceeding one year from the date of the maturity of the note which is to be refunded or renewed. Applicant may issue and re-issue said note for a term of less than one year provided that the aggregate of said term shall not exceed one year from the date of the maturity of the note refunded or renewed.

2.--- As the principal of the note herein authorized is paid off a ratable proportion of the bonds pledged as collateral shall be released and returned to applicant's treasury and thereafter issued only upon order of this Commission.

3.--- Applicant shall file monthly reports as required by the Railroad Commission's General Order Number 24, said order being made a part of this order, in so far as the same is applicable.

4.--- The authority to issue the note and bonds shall apply only to such note and bonds as may be issued on or before November 1, 1919.

The foregoing opinion and order are hereby approved as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 23^d day of November, 1918.

Edwin O. Edgerton

H. B. Sutherland

Wm. Gordon

Frank R. DeWitt

Commissioners.