

MM

ORIGINAL

Decision No. 6010

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
OAKLAND, ANTIOCH & EASTERN RAILWAY
to issue certain notes.

} Application No. 4258.

Steinhart, McAtee and Levy, by Jesse H. Steinhart,
for applicant.

EDGERTON, Commissioner.

O P I N I O N

OAKLAND, ANTIOCH & EASTERN RAILWAY asks authority
to issue notes for a term of one year or less for the purpose of
renewing the following notes:

<u>Payee</u>	<u>Date of Issue</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Principal Unpaid</u>
A. V. Clarke	: Jan. 7, 1914:	: One Year:	: 7% :	: \$ 1,600.00
Pacific Rolling Mill Company	: Sep. 15, 1914:	: 4 Mos. :	: 6% :	: 6,000.00
Palmer & McBryde	: Nov. 23, 1914:	: 3 Mos. :	: 6% :	: 1,947.00
Palmer & McBryde	: Nov. 23, 1914:	: 3 Mos. :	: 6% :	: 2,137.00
Palmer & McBryde	: NOV. 23, 1914:	: 3 Mos. :	: 6% :	: 2,709.38

The payment of the foregoing notes is secured by
first mortgage 5 per cent sinking fund 30 year gold bonds of appli-
cant. The number of bonds pledged as collateral appear in the
order herein.

The testimony is to the effect that the notes were issued in payment for materials used in the construction of applicant's railroad.

I herewith submit the following form of Order:

O R D E R

OAKLAND, ANTIOCH & EASTERN RAILWAY having applied to the Railroad Commission for authority to issue certain notes and to pledge bonds as collateral to secure the payment of the notes, a public hearing having been held, and it appearing to the Commission that the money, property or labor to be procured or paid for by the issue of the notes is reasonably required for the purpose or purposes specified in the Order, and that 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 & Eastern Railway be, and it is hereby, granted authority to issue promissory notes to the following payees, at not exceeding the following rates of interest, and for the following amounts:-

<u>Payee</u>	<u>Interest</u>	<u>Principal Unpaid</u>
A. V. Clarke	7%	\$1,600.00
Pacific Rolling Mill Company	6%	6,000.00
Palmer & McBryde	6%	1,947.00
Palmer & McBryde	6%	2,137.00
Palmer & McBryde	6%	2,709.38

IT IS HEREBY FURTHER ORDERED that Oakland, Antioch & Eastern Railway be, and it is hereby, granted authority to issue and pledge bonds numbered 2885 to 2889 inclusive to secure the payment of the note to be issued to A. V. Clarke; bonds numbered 3323 to 3332 inclusive, to secure the payment of the note to be issued to Pacific

Rolling Mill, and bonds numbered 2701 to 2707 and 2755 to 2760 inclusive, to secure the payment of the notes to be issued to Palmer & McBryde.

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

1.-The notes herein authorized to be issued shall be made payable during a period not exceeding one year from the date of this Order. Applicant may issue the notes herein authorized and issue new notes in renewal thereof for a term less than one year, provided that the aggregate term of notes issued in renewal of the notes now outstanding and the term of any renewal notes issued pursuant to the authority herein granted shall not exceed one year from the date of this Order.

2.-As the principal of the notes herein authorized is paid off, bonds pledged as collateral shall be released in such an amount so that the face value of the notes shall never be less than approximately 60 per cent of the bonds pledged as collateral to secure the payment thereof. The bonds thus released shall be returned to applicant's treasury and thereafter issued only upon Order of this Commission.

