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Decision No. 6344

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

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In the Matter of the Application of)
FOOTHILL DITCH COMPANY)
for an order validating the issuance) Application No. 4456.
of promissory notes.)

D.E. Perkins for applicant.

MARTIN, Commissioner.

O P I N I O N.

FOOTHILL DITCH COMPANY asks the Railroad Commission to make its order ratifying and validating the execution of promissory notes of the face value of \$7,000.

Applicant is engaged in the business of distributing and selling water for irrigation in Tulare County, through a certain ditch known as the Pogue-Wallace and Crocker Ditch.

On February 8, 1918, it executed its 2-year 6% promissory note for \$2,000 to Van Cleve Construction Company, while on May 8, 1918, it executed two 7% promissory notes for \$2,500 to A.C. Dungan, one payable one year after date, the other two years after date. All of these notes were issued without an order from the Railroad Commission and are null and void under Section 52 of the Public Utilities Act. The testimony shows that the notes were issued through inadvertence and without any intent to evade the provisions of the Public Utilities Act. The notes being null and void, it is impossible for the Commission to ratify and

validate their execution. The order herein will authorize applicant to issue new notes for the purpose of refunding the indebtedness represented by the notes which applicant attempted to issue on February 8, 1918 and on May 8, 1918.

I herewith submit the following form of Order:

O R D E R.

FOOTHILL DITCH COMPANY having applied to the Railroad Commission for permission to issue notes and a public hearing having been held;

IT IS HEREBY ORDERED that FOOTHILL DITCH COMPANY be, and it is hereby, granted authority to issue to the Van Cleve Construction Company its 2-year 6 per cent promissory note for the principal sum of \$2,000; to A.C. Dungan its 1-year 7 per cent promissory note for the principal sum of \$2,500 and to A.C. Dungan its 2-year 7 per cent promissory note for the sum of \$2,500, all upon the following conditions and for the following purposes:

A.-- The note which applicant attempted to issue to the Van Cleve Construction Company on February 8, 1918 and the notes issued to A.C. Dungan on May 8, 1918 shall be returned to applicant and canceled by it prior to the issue of the notes herein authorized, which notes are authorized for the purpose of refunding the indebtedness represented by the notes which applicant is directed to cancel.

B.-- Foothill Ditch Company shall keep such record of the issue of the notes herein authorized as will enable it to file on or before the twenty-fifth day of each month a verified report as required by

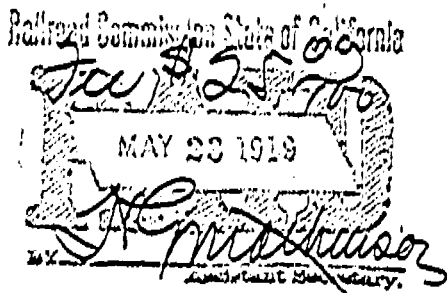
the Commission's General Order Number 24, which order, in so far as applicable, is made a part of this order.

C.-- The authority herein granted shall not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

D.-- The authority herein granted shall apply only to such notes as may be issued on or before November 1, 1919.

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 20th day of May, 1919.



Edmund O. Edgerton
H. L. Woodland
Frank Wheeler
H. R. Brundage
J. W. Martin
Commissioners.