

MM

ORIGINAL

Decision No. 6625

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of) MT. TAMALPAIS AND MUIR WOODS RAILWAY) for an order authorizing it to issue) a note.)	Application No. 4884.
--	-----------------------

Thomas, Beedy and Lanagan by William Thomas, for applicant.

LOVELAND, Commissioner.

O P I N I O N

MT. TAMALPAIS AND MUIR WOODS RAILWAY, in its amended petition, asks permission to issue to the First National Bank of San Francisco a 1-day 6 per cent \$15,000.00 note, and secure the payment of such note by the deposit of \$15,000.00 face value of Mill Valley and Mt. Tamalpais Scenic Railway bonds, and issue \$2,000.00 of bonds of said Mill Valley and Mt. Tamalpais Scenic Railway to reimburse its treasury and meet a sinking fund payment.

Applicant reports that it is indebted to the Union Trust Company of San Francisco to the extent of \$15,000.00 and that it intends to pay this indebtedness by borrowing \$15,000.00 from the First National Bank of San Francisco.

The Superior Court in and for the City and County of San Francisco by a decree dated December 12, 1916, ordered Union Trust Company of San Francisco, trustee under the mortgage executed by

Mill Valley and Mt. Tamalpais Scenic Railway, predecessor in interest to Mt. Tamalpais and Muir Woods Railway, to return to said railway \$18,500.00 face value of its first mortgage bonds. The mortgage requires the company to pay to the trustee for sinking fund purposes \$2,000.00 per annum. Under this provision, the company reports that from 1899 to 1916 it paid to the trustee \$54,500.00 or \$18,500. more than necessary, and that this money was used by the trustee to purchase bonds of the company. Pursuant to the court's order, \$18,500.00 of bonds have been returned to applicant's treasury. The Commission in a former decision has held that the bonds having reverted to the company's treasury could be issued only as authorized by the Commission. Applicant now proposes to pledge \$15,000.00 of the bonds and issue \$2,000.00 to reimburse its treasury and meet a sinking fund payment. The testimony shows that the \$2,000.00 of bonds were reacquired through the investment of surplus earnings, and that the investment in applicant's property is considerably in excess of its funded and unfunded indebtedness.

I herewith submit the following form of Order:-

O R D E R

MT. TAMALPAIS AND MUIR WOODS RAILWAY having applied to the Railroad Commission for permission to issue a note and bonds, and a public hearing having been held,

IT IS HEREBY ORDERED that Mt. Tamalpais and Muir Woods Railway be, and it is hereby, authorized to issue to the First National Bank of San Francisco its 6 per cent 1-day note for the principal sum of \$15,000.00 and to secure the payment of such note by the deposit of \$15,000.00 face value of bonds of Mill Valley and Mt. Tamalpais Scenic Railway.

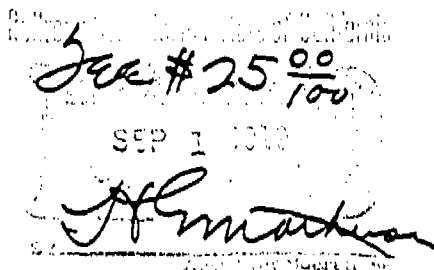
IT IS HEREBY FURTHER ORDERED that Mt. Tamalpais and Muir Woods Railway be, and it is hereby, authorized to issue \$2,000.00 of bonds of Mill Valley and Mt. Tamalpais Scenic Railway at not less than par for the purpose of reimbursing its treasury.

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

- 1.-- The note herein authorized to be issued shall be issued by applicant for not less than the face value thereof and the proceeds used to pay the note held by the Union Trust Company of San Francisco and referred to in the petition herein.
- 2.-- As payments are made on the note herein authorized, ^{pledged} bonds approximately equal in amount to such payments shall be returned to applicant's treasury and thereafter issued only as authorized by the Railroad Commission.
- 2.-- Mt. Tamalpais and Muir Woods Railway shall within thirty days after the issue of the note herein authorized, file with the Railroad Commission a copy of such note and a statement showing the serial number of the bonds pledged as collateral.
- 3.-- The authority herein granted to issue a note and bonds shall apply only to such note and bonds as may be issued on or before December 31, 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 29th day of August, 1919.



Edwin O. Edgerton
H. S. ...
Frank R. ...
H. B. ...
Iving ...
Commissioners.