

ORIGINAL

Decision No. 6768

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application)	
of the HUMBOLDT TRANSIT COMPANY)	
for authority to execute a note)	Application No. 4942.
in the amount of Twenty Thousand)	
Dollars.)	

BY THE COMMISSION:

O P I N I O N

Humboldt Transit Company seeks authority to issue a demand note in the sum of \$20,000 with interest at the rate of 6% per annum, payable to First National Bank of Eureka, to be jointly executed with Wm. Butterworth, its president, and secured by pledge of 40 of its first mortgage 5% bonds of the face value of \$40,000 to secure the payment of the note.

A public hearing upon this application was held by Examiner Westover in San Francisco.

The note is to be issued to refund similar note now held by the bank. The indebtedness was originally incurred for the purchase of rolling stock and extension of

its tracks in Myrtle Avenue in Eureka, where it operates. Notes to cover this indebtedness have been issued from time to time by authority of the Commission. (See Opinions and Orders of the Railroad Commission, Vol. 3, p. 542, Vol. 6, p. 138, Vol. 14, p. 167.)

O R D E R

Humboldt Transit Company having applied to this Commission for authority to issue a demand promissory note payable to the First National Bank of Eureka in the sum of \$20,000, bearing interest at 6 per cent per annum and secured by pledge of \$40,000 first mortgage 5 per cent bonds for the purpose of renewing a note in a similar amount now outstanding, and a public hearing having been held, and it appearing to this Commission that the money to be secured by such issue is reasonably required for the purpose specified in the order, which purpose is not in whole or in part reasonably chargeable to operating expenses or to income.

IT IS HEREBY ORDERED that Humboldt Transit Company be and it is hereby authorized to issue a 6 per cent demand note payable to the First National Bank of Eureka in the principal sum of \$20,000 and to issue and pledge as collateral security for said note, \$40,000 of its first mortgage 5 per cent bonds.

This authority is granted upon the following conditions and not otherwise:

1. Said note shall be issued for not less than its face value for the purpose of refunding a note

for the same amount issued by applicant to the First National Bank of Eureka under authority of this Commission's Decision

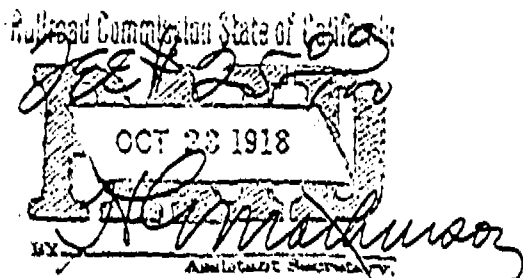
No. 4659, dated September 13, 1917.

2. The bonds hereby authorized to be issued shall be pledged in such a ratio that the face value of the note shall never be less than 50 percent of the face value of the bonds pledged. Upon the payment of the note hereby authorized to be issued or any part thereof the bonds pledged as collateral, or a proportionate amount if only part of the note be paid, shall be returned to applicant's treasury and thereafter issued only upon order of the Railroad Commission.

3. Humboldt Transit Company shall report to the Railroad Commission within 10 days after issuing said note and pledging said bonds, the fact and date of such issue and pledge.

4. The authority hereby given to issue said note or pledge said bonds shall apply only to such note as may be issued and to such bonds as may be pledged within 30 days after date hereof.

Dated at San Francisco, California, this 22^d
day of October, 1919.



Edwin J. Edgerton
H. J. Lybrand
Stanley M. Munn
H. B. Boudige
Erving Martin
Commissioners.