

HS

ORIGINAL

Decision No. 9178.

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

In the Matter of the Application of the)
LOS VERJELS LAND AND WATER COMPANY,)
a corporation, for authority and per-)
mission to renew certain notes of the)
Company, and issue a certain amount of)
its capital stock and dispose of same.)

Application No. 6919

Dr. V.T. McGillycuddy, for applicant;
T.J. Straub for certain noteholders.

BY THE COMMISSION:

O P I N I O N.

LOS VERJELS LAND AND WATER COMPANY asks permission to issue notes in the aggregate amount of \$5,175.00 and \$19,000.00 of common stock.

A hearing was had in this application before Examiner Gordon at San Francisco on June 24th.

Applicant as of December 31, 1920, reports \$187,970.00 of stock outstanding. Its indebtedness is reported to consist of \$36,245.00 of notes and \$29,630.25 of accounts payable. Of the notes outstanding, applicant in this application asks permission to renew \$5,175.00 face value. The notes which applicant asks permission to renew are as follows:-

<u>Date</u>	<u>Payee</u>	<u>Rate of Interest</u>	<u>Amount</u>
June 30, 1916,.....	John W. Steward,	7%,	\$1,000.00
April 21, 1916,....	H.D. Cosby,	10%,	1,800.00
February 2, 1916,..	H.D. Cosby,	10%,	500.00
January 29, 1917,..	H.D. Cosby,	8%,	1,875.00
Total,			<u>\$5,175.00</u>

These notes are long past due and unless same are renewed on or before July 1st, the holders thereof will bring an action against the company to protect their rights under the statute of limitations.

Applicant also asks permission to issue \$19,000.00 of stock to pay salaries due to certain employees of the company.

Applicant has for some time past been endeavoring to get its water system established on an income producing basis. In this it has been unsuccessful to date and the Commission will not authorize applicant to issue any more stock until its affairs are in a more satisfactory condition.

O R D E R

LOS VERJELS LAND AND WATER COMPANY having applied to the Railroad Commission for permission to issue notes and stock, a public hearing having been held and the Commission being of the opinion that applicant should be permitted to issue \$5,175.00 of notes referred to in this application and that its request to issue \$19,000.00 of stock should be denied without prejudice.

IT IS HEREBY ORDERED, that LOS VERJELS LAND AND WATER COMPANY be, and it is hereby, authorized to issue \$5,175.00 face value of notes for the purpose renewing the notes referred to in the foregoing opinion and in this application, said notes to be issued for a term of not exceeding one year and to bear interest at the rate of not more than 10 per cent. per annum.

IT IS HEREBY FURTHER ORDERED, that the request of LOS VERJELS LAND AND WATER COMPANY for permission to issue \$19,000.00 of its common stock be, and it is hereby, denied without prejudice.

IT IS HEREBY FURTHER ORDERED, that applicant may, if necessary, execute a mortgage or mortgages to secure the payment of the notes herein authorized, said mortgage or mortgages to be substantially in the same form as the mortgage approved by the Railroad

Commission in Decision No. 1228, dated January 27, 1914, -provided

THAT the authority herein granted to execute a mortgage or mortgages is for the purpose of this proceeding only and is granted in so far as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said mortgage or mortgages as to such other legal requirements to which such mortgage or mortgages may be subject.

The authority herein granted is subject to further conditions as follows:-

- 1.--The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.
- 2.--Los Verjels Land and Water Company shall keep separate and accurate accounts showing the receipt and application of the proceeds from the sale of the notes herein authorized to be issued and shall file a report with the Railroad Commission as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.
- 3.--The authority herein granted will apply only to such notes as may be issued and to such mortgage or mortgages as may be executed on or before December 31, 1921.

DATED at San Francisco, California, this 29th day of June, 1921.

Railroad Commission, State of California

Fee \$ 75.00

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners.