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ORIGINAL

Decision No. 9197.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
SAN FERNANDO TELEPHONE AND TELEGRAPH )  
COMPANY, a corporation, for authority )  
to issue stock. )

Application No. 6923.

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Walter F. Dunn for Applicant.

LOVELAND, Commissioner.

O P I N I O N.

SAN FERNANDO TELEPHONE AND TELEGRAPH COMPANY, a corporation, asks permission to issue and sell at par \$10,000.00 of its common capital stock and use the proceeds to pay the cost of plant extensions, additions and betterments.

Applicant was organized on or about July 31, 1914. It reports \$9,900.00 of stock outstanding. Its funded debt consists of an \$18,250.00 6 per cent. note secured by a mortgage upon its properties. For 1920, applicant reports operating revenues of \$18,019.11, and operating expenses, including taxes, amounting to \$13,087.01, leaving \$4,932.10 available for interest, rent and dividends. During 1920, the company paid an 8 per cent. dividend, such payment amounting to \$792.00.

All of applicant's outstanding stock is owned by J.M. Baldwin, Walter F. Dunn and R.J. McHugh. It appears from the record that applicant's stockholders have agreed to purchase from time to time as applicant may need funds the \$10,000.00 of stock, which it asks permission to issue.

Applicant reports that its business has been increasing rapidly and that it must make additional provision to properly take care of such increase. A large portion of applicant's anticipated expenditures will be brought about by taking on new subscribers. It appears that applicant cannot at this time furnish the Commission with a detailed list of its estimated expenditures for plant extensions, additions and betterments.

The order herein will permit applicant to issue and sell the stock and require applicant to deposit the proceeds in a special fund. Whenever applicant desires to use part of the proceeds obtained from the sale of the stock, it should file with the Commission a detailed statement of expenditures incurred or to be incurred. Following the filing of such a statement, the Commission will make an order authorizing the disbursement of the proceeds from the sale of the stock for such purposes as it may deem appropriate.

I herewith submit the following form of Order.

O R D E R

SAN FERNANDO TELEPHONE AND TELEGRAPH COMPANY having applied to the Railroad Commission for permission to issue and sell \$10,000.00 of stock and use the proceeds to pay for plant extensions, additions and betterments, a public hearing having been held and the Commission being of the opinion that applicant's request should be granted;

IT IS HEREBY ORDERED, that SAN FERNANDO TELEPHONE AND TELEGRAPH COMPANY be, and it is hereby, authorized to issue and sell, for cash, at not less than par \$10,000.00 par value of its common capital stock.

The authority herein granted is subject to the following conditions:--

- 1.--All proceeds realized from the sale of the stock herein authorized shall be deposited by applicant in a special fund and expended only for such purposes as the Railroad Commission may hereafter authorize by supplemental order or orders.
- 2.--San Fernando Telephone and Telegraph Company shall keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report 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 stock as may be issued, sold and delivered on or before December 31, 1921.

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 30<sup>th</sup>  
day of June, 1921.

H. A. Brundage  
H. S. Loveland

[Signature]  
Commissioners.