

Decision No. 27758

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of )  
THE MC CLOUD RIVER LUMBER COMPANY, )  
a corporation, and MC CLOUD TELEPHONE COM- )  
PANY, a corporation, for an order author- )  
izing the former to sell all of its tel- )  
ephone business and property to the latter, )  
to withdraw from the telephone business, )  
and to acquire certain shares of the cap- )  
ital stock of the latter, and the latter to )  
purchase and acquire said business and )  
property and to issue shares of its stock )  
in consideration therefor. )

ORIGINAL

Application No. 19830

Pillsbury, Madison & Sutro and Hugh Fullerton,  
for applicants.

BY THE COMMISSION:

ORDER

The McCloud River Lumber Company, a corporation engaged primarily in the lumber industry and incidentally thereto in a small public utility telephone and telegraph business in Siskiyou County, having applied to the Railroad Commission for authority to sell and transfer its telephone and telegraph business and property to McCloud Telephone Company, a recently organized corporation, for a consideration of \$500.00 par value of stock, and McCloud Telephone Company, having applied for permission to engage in such business and to issue five shares (\$500. par value) of its common capital stock, and it appearing that the purpose of the transaction is to enable the lumber company to retire from the public utility business and to place the utility properties and operations in the ownership of a separate corporation, to operate solely as a public utility, and the Commission

being of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the stock is reasonably required for the purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that The McCloud River Lumber Company be, and it hereby is, authorized to sell and transfer all its telephone and telegraph business and properties in the State of California, to McCloud Telephone Company, and upon the acquisition thereof by McCloud Telephone Company to withdraw from the telephone and telegraph business.

IT IS HEREBY FURTHER ORDERED that McCloud Telephone Company be, and it hereby is, authorized to purchase and acquire the business and properties herein authorized to be sold and transferred, and to engage in the telephone and telegraph business in and about the Town of McCloud, Siskiyou County, California.

IT IS HEREBY FURTHER ORDERED that McCloud Telephone Company be, and it hereby is, authorized to issue five shares of its capital stock (\$500. par value) in consideration for the transfer to it of the business and properties herein authorized to be transferred, and/or to pay organization and incorporation costs, and The McCloud River Lumber Company be, and it hereby is, authorized to acquire and hold such stock.

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

1. McCloud Telephone Company shall keep such record of the issue of the stock herein authorized and of the disposition of the proceeds as will enable it to file,

within thirty(30) days thereafter, a verified report,  
as required by the terms of General Order No. 24,  
which order insofar as applicable, is made a part of  
this order.

2. The authority herein granted shall become effective upon  
the date hereof.

DATED at San Francisco, California, this 18<sup>th</sup> day of  
February, 1935.

Leon C. White

W. H. C. C.

M. B. C.

W. H. C. C.

Frank R. C.

Commissioners. (