

LEM

Decision No. 23069

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
UNION PACIFIC STAGE COMPANY, )  
a corporation organized under the )  
laws of the State of California, )  
for authority to issue and sell )  
certain common stock. )

Application No. 13610

**ORIGINAL**

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

The Railroad Commission, by Decision No. 18337, dated May 9, 1927, as amended by Decision No. 20342, dated October 18, 1928, authorized Union Pacific Stage Company, hereinafter referred to as the stage company, to issue and sell at not less than par, \$3,000. of its common capital stock and to loan the proceeds to Los Angeles and Salt Lake Railroad Company, the holder of all its outstanding stock, hereinafter referred to as the railroad Company, in accordance with the provisions of an agreement between the two companies dated October 1, 1927, which agreement was approved by the Commission.

The agreement provided that the railroad company would receive all the revenue derived from the operation of the stage company's business and would pay all expenses of whatsoever nature incurred in connection therewith and, in addition, would pay interest to the stage company at the rate of six percent. per annum on the \$3,000. loaned to it.

The payment of the interest being an inter-company account, the two companies now report that to simplify their accounting procedure they propose to amend the aforesaid agreement so as to eliminate the provision with respect to such payment and to relieve the railroad company of the necessity of continuing the payments. Since the Commission heretofore authorized the stage company

to loan its stock proceeds pursuant to the terms of the agreement, and also approved the agreement, it has been asked to enter an appropriate supplemental order at this time so as to permit the companies to carry out the proposed program.

The Commission has considered applicant's request and is of the opinion that, because of the facts upon which such request is based and because of the agreement between applicant and Los Angeles and Salt Lake Railroad Company, applicant's request may be granted, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 18337, dated May 9, 1927, as amended by Decision No. 20342, dated October 18, 1928, be, and it hereby is, modified so as to permit Union Pacific Stage Company to loan the \$3,000. obtained from the issue and sale of its stock, to Los Angeles and Salt Lake Railroad Company in accordance with the provisions of the agreement dated October 1, 1927 by and between the two companies amended so as to eliminate the provision with respect to the payment of interest on said \$3,000. by the railroad company, which amendment to said agreement is hereby approved.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 18337, dated May 9, 1927, as amended by Decision No. 20342, dated October 18, 1928, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 24<sup>th</sup> day of August, 1936.

M. B. Harris  
Leon A. Kelley  
M. A. Linn  
Walter H. Mason  
Frank R. Wilson  
Commissioners.