

Decision No. 22142

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

SAN FRANCISCO BAY TOLL-BRIDGE
COMPANY, a corporation, now in
reorganization,

for an Order, (1) authorizing appli-
cant to issue in exchange for its
presently outstanding bonds new bonds,
face for face, to pay certain sums in
cash to its Debentureholders, and to
issue certain common stock to its pres-
ent bondholders, and (2) approving the
terms and conditions of such issuance
and exchange and the fairness of such
terms and conditions, and (3) author-
izing applicant fully to carry into
effect its final reorganization plan.

ORIGINAL

Application No. 22142

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Third Supplemental Application of

HIRAM W. JOHNSON, JR.,
DISINTERESTED TRUSTEE FOR
SAN FRANCISCO BAY TOLL-BRIDGE
COMPANY,

a corporation in reorganization in the
United States District Court, made here-
in pursuant to an Order of the United
States District Court, and in compliance
with Section 177 and 178 of Chapter X
of the National Bankruptcy Act, as amend-
ed, (Commonly known as the Chandler Act).

Application No. 22142

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BY THE COMMISSION:

THIRD SUPPLEMENTAL OPINION

In the third supplemental application filed in the
above entitled matter on January 15, 1941, the Commission is
asked to enter its order authorizing San Francisco Bay Toll-
Bridge Company, a Delaware Corporation, to proceed to carry out
and fully consummate all of the terms of the plan of reorgan-

ization as approved by the United States District Court in its order of November 25, 1940, and, among other things,

(a) to exchange with its present bondholders, bond for bond and face for face the old bonds of applicant for the new bonds as described in the present plan of reorganization and the trust indenture proposing to secure the same;

(b) to issue new common stock at the rate of two shares thereof for each \$1,000, principal amount, of the present bonds, and on a corresponding basis for bonds of lesser denominations, said new common stock so proposed to be issued to consist of 8,606 shares of the par value of \$1.00 per share;

(c) to cancel and extinguish all of the heretofore and presently outstanding debentures upon payment to the holders thereof, or set aside for their account, a sum in cash equal to one and one-half per cent (1-1/2%) of the principal amount of such debentures.

(d) to cancel and extinguish all presently outstanding preferred stock and all presently outstanding common stock.

Applicant further asks the Commission to approve a proposed amendment to Article Fourth of its Certificate of Incorporation and to grant it such other authorizations and permissions as may seem proper or necessary in the premises.

By our Decision No. 33216, dated June 11, 1940, we found the reorganization plan of San Francisco Bay Toll-Bridge Company, now before us, to be fair and in the public interest, and approved the same insofar as we had jurisdiction, and indicated that upon the filing of an appropriate application we would authorize San Francisco Bay Toll-Bridge Company to issue income bonds and stock for the purpose of carrying into effect said reorganization plan.

Although the Supreme Court of California, in the Southern Sierras Case,⁽¹⁾ held that this Commission had no jurisdiction over the issue of stock by a foreign corporation, applicant, nevertheless, asks this Commission to authorize it to issue its stock. The order herein will authorize applicant to issue said stock and income bonds and carry the reorganization plan into

(1) See 205 Cal. 479

effect.

THIRD SUPPLEMENTAL ORDER

The Commission having considered applicant's request and it being of the opinion that this is not a matter on which a hearing is necessary, that the money, property or labor to be procured or paid for by the issue of the stock and income bonds herein authorized to be issued is reasonably required for the purpose stated in this order, and that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that applicant's Third Supplemental Application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED as follows:

1. San Francisco Bay Toll-Bridge Company may, on or before April 1, 1941, execute for the purpose of securing the payment of its income bonds, a trust indenture substantially in the same form as the trust indenture filed in this proceeding on January 15, 1941, provided that the authority herein granted to execute a trust indenture is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said trust indenture as to such other legal requirements to which said trust indenture may be subject.

2. San Francisco Bay Toll-Bridge Company may, on or before April 1, 1941, issue not exceeding 8,606 shares of its common stock of the par value of one dollar per share, and not exceeding \$4,303,000 face value of income bonds in exchange for its outstanding First Mortgage Bonds, said exchange to be made in accordance with the reorganization plan filed in this proceeding on January 15, 1941, which reorganization plan applicant is authorized to carry into effect.

3. The authority herein granted will become effective when San Francisco Bay Toll-Bridge Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Two Thousand Six Hundred fifty-one dollars and fifty cents (\$2,651.50).

4. San Francisco Bay Toll-Bridge Company shall, within thirty (30) days after the execution of the trust indenture herein authorized to be executed, file with the Railroad Commission two certified copies of the same, and shall also, within six months after the date hereof, file with this Commission a report showing the amount of stock and income bonds issued under the authority herein granted, the names of the persons to whom said bonds and said stock were issued, and the amount of bonds and stock issued to each.

Dated at San Francisco, California, this 28th day of January, 1941.

[Signature]
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Commissioners

