

ORIGINAL

Decision No. 34746

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of the NEVADA COUNTY NARROW GAUGE RAILROAD COMPANY, a corporation, for permission to amend a certain trust indenture

Application No. 24549

BY THE COMMISSION:

O P I N I O N

Nevada County Narrow Gauge Railroad Company has outstanding \$12,000, face value, of 5% first mortgage bonds, due April 1, 1943. The bonds are owned by the following persons:

<u>Name</u>	<u>Face Value of Bonds Owned</u>
J. E. Taylor	\$3,000
James C. Tyrrell	3,000
Wm. V. Tamblyn	3,000
Geo. H. Calanan	2,000
Fred F. Cassidy	<u>1,000</u>
Total	<u>\$12,000</u>

The owners of the bonds are directors of Nevada County Narrow Gauge Railroad Company and own 98.8% of the company's outstanding stock.

Section 3 of Article III of the trust indenture

securing the payment of the bonds reads as follows:

"The Railroad covenants that at its own expense it will furnish to the Trustee, on demand, on or before March 1st in each year, until all bonds issued hereunder be paid in full with all interest accrued, the report of an accountant or audit company appointed or approved by the Trustee, showing the earnings, operating expenses, expenditures for construction, and financial condition of the Railroad for the year ending December 31st immediately preceding each such audit."

Applicant asks permission to amend its trust indenture by eliminating said Section 8 of Article III and by endorsing upon the outstanding bonds a provision reading as follows:

"The provisions of Section 8 of Article III, of the Trust Indenture securing this bond, for the filing with the Trustee of periodical audit reports relating to the affairs of the Trustor, have been waived in their entirety, effective as of the calendar year 1940, by virtue of Modification Agreement dated _____, 1941."

In view of the fact that the company files verified annual reports with the Railroad Commission, which reports are a public record, we have no objection to the proposed amendment to applicant's trust indenture. The amendment will relieve applicant of some expense.

O R D E R

The Commission has considered applicant's request and is of the opinion that this is not a matter on which a hearing is necessary, and that this application should be granted, therefore,

IT IS HEREBY ORDERED that Nevada County Narrow Gauge Railroad Company be, and it is hereby, authorized to amend, on or before December 31, 1941, its trust indenture executed under the authority granted by Decision No. 723, dated June 18, 1913, in Application No. 486, by eliminating from such trust indenture, Section 8 of Article III thereof, provided, the outstanding bonds be endorsed by an endorsement substantially in the same form as the endorsement appearing in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of the amendment to the trust indenture of Nevada County Narrow Gauge Railroad Company and the endorsement of the bonds of said railroad company, Nevada County Narrow Gauge Railroad Company shall file with the Railroad Commission a copy of said amendment and a copy of said endorsement.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 12th day of November, 1941.

W. G. B. Smith
Ray & Ricey
Justus J. Caswell
Francis R. Havens
Richard D. ...
Commissioners.