

ORIGINAL

Decision No. 54342

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of General Telephone Company of California for authority to issue and sell 500,000 shares of its 5% Cumulative Preferred Stock, without competitive bidding.

Application No. 38545  
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 54174, dated December 4, 1956, the Commission authorized General Telephone Company of California to issue and sell 500,000 shares of its 5% Cumulative Preferred Stock (\$10,000,000 par value) at a price to be fixed in a supplemental order.

In a supplemental application filed in this proceeding on January 7, 1957, applicant reports that it has entered into a stock purchase agreement granting to underwriters a sixty-day option to purchase said 500,000 shares of stock at a price of \$19.00 a share, flat, with the right given to the company, if it so desires, to extend the period within which the option may be exercised. The underwriters have agreed initially to offer the shares to the public at \$20.00 a share and, if any of the shares are sold by the underwriters at a price in excess of \$20.00 a share, to pay the amount of such excess to the company. Applicant has filed a copy of the underwriting agreement and has asked the Commission to make a supplemental order authorizing the sale of the 500,000 shares under its terms.


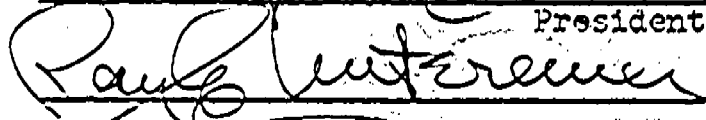


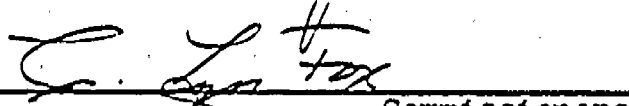
The Commission has considered this request and is of the opinion that a further hearing is not necessary and that an order should be entered; therefore,

IT IS HEREBY ORDERED as follows:

1. General Telephone Company of California, after the date hereof and on or before June 30, 1957, may issue and sell the 500,000 shares of 5% Cumulative Preferred Stock, which were authorized by Decision No. 54174, dated December 4, 1956, at a price of not less than \$19.00 a share, flat, under and pursuant to the terms of the stock purchase agreement filed with the Commission in this proceeding.

2. The authority granted by this first supplemental order is effective upon the date hereof.

Dated at San Francisco, California, this 8th day of January, 1957.

  
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President  
  
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Commissioners