

Decision No. 60880

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

KERN MUTUAL TELEPHONE COMPANY,

a California corporation, for an order authorizing Applicant (a) to issue and sell 7,000 shares of a new series of convertible preferred shares, (b) to issue the common shares issuable on conversion of said preferred shares, and (c) to apply the proceeds of sale of said preferred shares to the payment of outstanding unsecured demand promissory notes aggregating \$176,000.

Application No. 42557
(Petition for
Modification)

FIRST SUPPLEMENTAL ORDER

By Decision No. 60671, dated September 1, 1960, the Commission authorized Kern Mutual Telephone Company to issue and sell a new series of preferred shares to be convertible into common shares at the option of the holders, on or before September 1, 1970, at an initial rate of 1-2/3 common shares for each share of preferred stock.

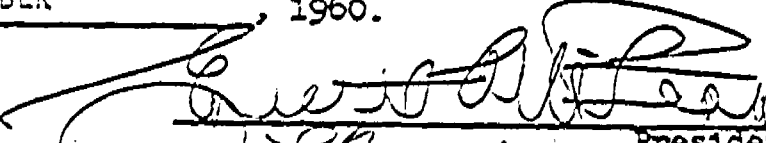
The company now reports that it has found it necessary to modify the conversion terms and in a Petition for Modification filed on October 4, 1960, it reports that it has decided to change the initial conversion rate to 2-1/12 common shares for each share of preferred stock. The company has requested the Commission to approve the revised conversion feature.


The Commission has considered this matter and is of the opinion that the request should be granted, therefore,


IT IS HEREBY ORDERED that the Order in Decision No. 60671, dated September 1, 1960, be, and it hereby is, modified so as to permit Kern Mutual Telephone Company to issue and sell the cumulative convertible preferred shares authorized therein with the conversion privileges modified as indicated in the Petition for Modification filed on October 4, 1960, and to issue its common shares as shall be required upon surrender of said preferred shares for conversion pursuant to the Certificate of Determination of Preferences as modified by Exhibit A attached to said Petition for Modification.


This First Supplemental Order is effective on the date hereof.

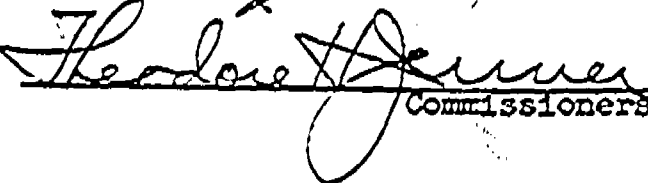
Dated at San Francisco, California, this 18th day of OCTOBER, 1960.



President








Commissioners