

PETITION FOR ORDER No. 1.

IN THE

DISTRICT COURT OF THE UNITED STATES

FOR THE NORTHERN DISTRICT OF ILLINOIS,

EASTERN DIVISION.

IN PROCEEDINGS FOR THE REORGANIZATION OF A RAILROAD.

In the Matter of
CHICAGO, MILWAUKEE, ST. PAUL
AND PACIFIC RAILROAD COM- } No. 60463
PANY, }
Debtor. }

PETITION.

*To the Honorable the Judges of the District Court of the
United States for the Northern District of Illinois,
Eastern Division:*

The petition of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a railroad corporation (hereinafter referred to as the "Debtor"), respectfully represents:

(1) That the Debtor is a railroad corporation organized and existing under the laws of the State of Wisconsin and is a citizen and resident of said State; that it is a common carrier by railroad engaged in the transportation of persons and property in interstate commerce in the States of Illinois, Indiana, Iowa, Idaho, Michigan, Minnesota, Missouri, Montana, North Dakota, South Dakota, Wisconsin and Washington, and is not a street,

suburban or interurban electric railway; that during the six months' period immediately preceding the filing of this petition the Debtor has had, and now has, its principal operating office in the City of Chicago, Illinois, in the Northern District of Illinois, Eastern Division;

(2) That the lines of railroad owned, leased or operated by the Debtor are subject to certain mortgages and other liens, and certain of the rolling stock and other equipment owned and leased by the Debtor is likewise subject to various liens and reserved rights of lessors and vendors, which said mortgages and other liens and rights directly or indirectly secure outstanding indebtedness of the Debtor, or indebtedness assumed or guaranteed by the Debtor, aggregating, together with other funded debt of the Debtor, the sum of \$481,521,686, principal amount, outstanding as of June 30, 1935 (exclusive of accumulated interest on the Five Per Cent. Convertible Adjustment Mortgage Bonds of the Debtor), a statement of said indebtedness being contained in Article I of the Plan of Reorganization annexed hereto as hereinafter mentioned. That \$899,000, principal amount, of equipment obligations, secured by liens or reserved rights of lessors and vendors upon equipment leased by the Debtor, became due on April 1, 1935, and are unpaid, and \$558,000, principal amount, of similar equipment obligations became due on June 1, 1935, and are unpaid; that \$609,000, principal amount, of similar equipment obligations will become due on July 1, 1935; that \$10,442.87 of interest on notes executed by the Debtor to The Railroad Credit Corporation became due on June 27, 1935 and are unpaid; that \$3,275,899.50, plus accrued interest in the aggregate amount of \$133,117.77, will become due June 30, 1935, on notes executed by the Debtor to Reconstruction Finance Corporation; and that interest payments in the aggregate amount of \$2,843,612.28 will become due

July 1, 1935, upon the General Mortgage Bonds of the Debtor. That the balance of income of the Debtor available for interest on funded debt during the first six months of 1935 is estimated at approximately \$1,400,000 (after deducting fixed rents), and that the cash balance of the Debtor on hand on June 30, 1935, is estimated at approximately \$4,000,000. That during the twelve months beginning July 1, 1935, additional principal of similar equipment obligations will become due in the aggregate amount of \$3,206,580.19, and principal of other obligations will become due in the aggregate amount of \$9,533,878.52, and additional fixed interest on all funded debt of the Debtor (including fixed rents under the lease dated July 1, 1921, from Chicago, Terre Haute and Southeastern Railway Company but excluding short term notes) will become due in the aggregate amount of \$11,308,116.81. That, upon information and belief, the Debtor will be unable to procure funds with which to pay and discharge such obligations as they become due and payable.

(3) That the Debtor is unable to meet its debts as they mature, and desires to effect a plan of reorganization pursuant to the provisions of Section 77 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and Acts amendatory thereof and supplementary thereto.

(4) That a Plan of Reorganization of the Debtor, dated July 1, 1935, a copy of which is annexed hereto marked Exhibit A, has been prepared by the Debtor after numerous conferences with the representatives of more than twenty of the largest holders of various bonds secured by mortgages upon the property owned or leased by the Debtor and, as the Debtor is informed and believes,

having aggregate holdings of said bonds in excess of \$100,000,000, principal amount.

(5) That the Debtor is, substantially simultaneously with the filing of this petition herein, causing to be filed with the Interstate Commerce Commission a copy of this petition and of said Plan, and requesting the Interstate Commerce Commission to set an early date for a public hearing, at which the Debtor may present said Plan, as provided in said Section 77.

(6) That the filing of this petition by and on behalf of the Debtor was duly authorized by resolutions of the Board of Directors of the Debtor, adopted at a meeting thereof held on the 27th day of June, 1935.

WHEREFORE, your petitioner prays that an order may be entered approving this petition as properly filed under said Section 77 and that it be granted all other and further relief to which it may be entitled.

CHICAGO, MILWAUKEE, ST. PAUL AND
PACIFIC RAILROAD COMPANY,

By HENRY A. SCANDRETT,

Its President.

O. W. DYNES and

C. S. JEFFERSON,

Attorneys for Debtor.

UNITED STATES OF AMERICA,
 NORTHERN DISTRICT OF ILLINOIS,
 EASTERN DIVISION. } ss.:

HENRY A. SCANDRETT, being duly sworn, deposes and says that he is an officer, to-wit: President of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a railroad corporation, the petitioning Debtor mentioned and described in the foregoing petition; that he has read the foregoing petition and knows the contents thereof; that the same is true of his own knowledge except as to the matters therein stated on information and belief, and as to those matters he believes them to be true, and that said petition is filed in good faith.

HENRY A. SCANDRETT.

Subscribed and sworn to before me this 28th day of June, 1935.

(SEAL) W. L. HUNTER,
Notary Public, Cook County, Illinois.

My commission expires February 28, 1938.

Filed June 29, 1935. Henry W. Freeman, Clerk.