

Decision No. 11604

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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ORIGINAL

In the Matter of the Application of MRS MARY KERN for an order granting permission to sell and transfer all her right, title and interest in auto truck line operated between Los Angeles and Long Beach and intermediate points including certain equipment, to G. R. Cleaveland

Application No. 8517.

and Application of G. R. Cleaveland for an order granting permission to purchase said line and equipment and to operate same thereafter.

In the Matter of the Application of the RICE TRANSPORTATION COMPANY, a Corporation, for an order granting permission to sell and transfer all its right, title and interest in auto truck line operating between Los Angeles and Long Beach and intermediate points, including certain equipment, to Mrs. Mary Kern

Application No. 8518.

and Application of Mrs. Mary Kern for an order granting permission to purchase said auto truck line, and equipment, and to operate same thereafter.

Mrs. Mary Kern, in propria persona.

R. B. Cleaveland, for Rice Transportation Company.

BY THE COMMISSION:

O P I N I O N

By the above applications authority is sought for transferring from Rice Transportation Company to Mary Kern and from her to G. R. Cleaveland, equipment and operative rights relating to the truck line serving Los Angeles, Long Beach and intermediate points.

A public hearing upon the applications was held by Examiner Westover at Los Angeles.

It appears from the testimony that Mrs. Kern, who is Vice President of the company, wishes to retire and dispose of her 4,301 shares of its capital stock of the par value of \$1.00 each; also, that G. R. Cleaveland and his sons, who own the remaining 12,668 shares, wish to divide the equipment and operative rights belonging to the company and operate them separately. The reason assigned is that their experience of about three years in operating the equipment of the corporation shows that better service can be given the patrons of a freight line by operating it from the point of distribution of shipments rather than from their point of origin. Mr. Cleaveland wishes to live in Long Beach and operate the Los Angeles-Long Beach line from there, where he can be in closer touch with shippers ordering goods; and his sons wish to live in Venice and operate the Los Angeles-Venice line from there, for similar reasons.

It appears, however, from the Commission's records that the entire service was established by E. G. Rice prior to May 1, 1917, - that he was operating it in good faith prior to that date as one line, and that he subsequently transferred it as one line by authority of Decision No. 8135 of September 23, 1920 on Application 6120 to G. R. Cleaveland, who continued to operate it as one line under its original fictitious name of Rice Auto Delivery until after the incorporation of Rice Transportation Company in April, 1921, to which corporation the line was transferred by authority of Decision No. 9188 of June 30, 1921, upon Application 6759.

The line having been acquired, held and operated as a single indivisible line, and there being no showing here that public convenience and necessity require the operation of a separate line by G. R. Cleaveland between Los Angeles and Long Beach,

we cannot properly authorize such a transfer as that prayed for.

However, no reason appears why the parties may not as stockholders transfer stock in the corporation; nor why the corporation may not, as a matter of internal organization and management operate its trucks from Long Beach and Venice respectively, to and from Los Angeles.

O R D E R

A public hearing having been held on the above entitled matters and they being now ready for decision,

IT IS HEREBY ORDERED that the applications be, and the same are hereby, denied.

✓ Dated at San Francisco, California, this 6th
day of February, 1923.
~~January~~

C. Seaver

Irving Martin

J. Whitney
Commissioners.