

LEM

Decision No. 15363.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
G. A. McCORRY and )  
COASTSIDE TRANSPORTATION COMPANY, )  
a corporation, for approval of a )  
certain agreement to transfer )  
operative right and other property )  
and to issue stock. )

Application No. 11593

Harry A. Encell and James A. Miller,  
for applicant.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make an order authorizing G. A. McCrory, doing business under the firm name and style of Pescadero Stage Line, to sell and transfer his operative rights and properties to Coastside Transportation Company, a corporation, subject to the terms of an agreement dated August 15, 1925, and authorizing Coastside Transportation Company to issue and sell at par for cash \$2,250.00 of its capital stock for the purpose of financing the cost of such rights and properties.

It appears that G. A. McCrory is engaged in transporting passengers and freight by auto stage between Pescadero and Santa Cruz, serving intermediate points, operation being conducted pursuant to authority granted by the Commission by Decision No. 6720, dated October 2, 1919 in Application No. 4973. The revenues and

expenses from such operations have been reported to the Commission for the years ending December 31st as follows:-

<u>ITEM</u>	<u>1922</u>	<u>1923</u>	<u>1924</u>
Revenues . . . . .	<u>\$8,404.33</u>	<u>\$9,167.69</u>	<u>\$8,216.20</u>
Expenses:			
Labor . . . . .	\$1,677.89	\$1,661.75	\$1,424.30
Gasoline and Oil . . . .	706.95	1,079.82	1,142.13
Repairs . . . . .	1,647.73	1,416.89	2,110.31
Depreciation . . . . .	1,664.50	1,750.00	995.90
Miscellaneous . . . . .	175.74	805.19	747.69
Total expenses.....	<u>\$5,932.81</u>	<u>\$6,713.65</u>	<u>\$6,420.33</u>
Net revenues .....	<u>\$2,471.52</u>	<u>\$2,454.04</u>	<u>\$1,795.87</u>

The application shows that on August 15, 1925, G. A. McCrory entered into an agreement with Coastside Transportation Company, a corporation, by the terms of which he agreed to sell and transfer to the corporation for \$2,250.00 in cash, his operative rights and properties, consisting of the certificate of public convenience and necessity heretofore acquired by him pursuant to Decision No. 6720, dated October 2, 1919, one G.M.C. one-ton truck and a United States Government contract, authorizing him to transport mail between Davenport, Swanton and Pescadero. Coastside Transportation Company agreed to pay G. A. McCrory the \$2,250.00 in cash upon the approval, and subject to the approval, of the agreement by the Railroad Commission and the assignment of the mail contract by authority of the United States Government.

It is reported in the application that-

"Coastside Transportation Company, a corporation, is the owner and holder of certain operative rights authorizing it to transport passengers, freight and express between San Francisco and Pigeon Point, California, and intermediate points, and freight and express between San Mateo and Half Moon Bay, California, in conjunction with and as a part of its freight and express service between San Francisco and Pigeon Point, California, and intermediate points, which operative rights (except the operative right between Pescadero and Pigeon Point and intermediate points) were obtained from the Railroad Commission of the State of California, by the predecessors in interest of said Coastside Transportation Company, under the said Railroad Commission's Decision No. 11654 in Application No. 8252, dated February 13, 1923, Decision No. 12052 in Application No. 8949, dated May 8, 1923, and Decision No. 12130 in Application No. 8963, dated May 24, 1923, and trans-

ferred by said predecessors in interest unto said Coastside Transportation Company by authority of said Railroad Commission under its Decision No. 13023 in Application No. 9320, dated January 10, 1924, by which latter decision said Coastside Transportation Company was also granted a certificate to operate a passenger, freight and express service between Pescadero and Pigeon Point and intermediate points in conjunction with and as a part of said other operative rights."

The corporation was organized on or about August 11, 1923, with an authorized capital stock of \$150,000.00, divided into 15,000 shares of the par value of \$10. each, all common, of which 7416 shares, of the total par value of \$74,160.00, have been issued. As stated, the corporation is now asking permission to issue and sell an additional \$2,250.00 of stock to obtain the money necessary to pay G. A. McCrory under the agreement of August 15, 1925.

We have given consideration to this application and believe it to be a matter in which a public hearing is unnecessary. The order herein will authorize G. A. McCrory to transfer his operative rights and properties to Coastside Transportation Company, it being understood, however, that no authority is granted Coastside Transportation Company to consolidate such operative rights with those it now owns. The order will also authorize the corporation to issue and sell the \$2,250.00 of stock, provided that this amount shall not hereafter be urged before this Commission or other court or public body having jurisdiction, as a measure of value of the operative rights and properties to be transferred.

#### ORDER

G. A. McCrory and Coastside Transportation Company, having applied to the Railroad Commission for an order authorizing the

transfer of operative rights and properties and the issue and sale of stock, and the Commission being of the opinion that this is a matter in which a public hearing is unnecessary and that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for by the issue of stock is reasonably required,

IT IS HEREBY ORDERED that G. A. McCrory be, and he hereby is, authorized to transfer to Coastside Transportation Company, a corporation, the certificate of public convenience and necessity heretofore acquired by him pursuant to Decision No. 6720, dated October 2, 1919, in Application No. 4975, and the property to which reference is made in the foregoing opinion, such transfer to be in accordance with the terms of the agreement dated August 15, 1925 between G.A.McCrory and Coastside Transportation Company, a corporation, which agreement is hereby approved.

IT IS HEREBY FURTHER ORDERED that Coastside Transportation Company, a corporation, be, and it hereby is, authorized to issue and sell at not less than par for cash, \$2,250.00 of its capital stock and to use the proceeds to pay the amount due G. A. McCrory, under the agreement of August 15, 1925.

The authority herein granted is subject to the following conditions:-

1. G. A. McCrory shall cancel immediately all time schedules, tariffs, rates and classifications at present on file with the Railroad Commission, and Coastside Transportation Company, a corporation, shall file immediately new time schedules, tariffs, rates and classifications or adopt as its own the time schedules, tariffs, rates and classifications heretofore filed with the Commission by G. A. McCrory, all such new time schedules, tariffs, rates and

classifications to be identical with those heretofore filed with the Commission, such cancellation and filing to be in accordance with the provisions of General Order No. 51 and other regulations of the Railroad Commission.

2. The rights and privileges, the transfer of which is herein authorized, may not again be transferred, assigned, leased, sold, hypothecated, or operations thereunder discontinued, without the written consent of the Railroad Commission.
3. No authority is hereby conveyed for the consolidation, enlargement or expansion of any operative rights beyond those heretofore held by the applicants herein under the authority granted by the Commission.
4. The amount of stock which the corporation is herein authorized to issue shall not hereafter be urged before this Commission or other court or public body having jurisdiction as a measure of value of the operative rights and properties herein authorized to be transferred for any purpose other than this transfer.
5. The corporation shall keep such record of the issue and delivery of the stock herein authorized as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.
6. The transfer of the operative rights and properties, the cancellation and filing of time schedules, tariffs, rates and classifications and the issue of stock shall

be made not later than 90 days from the date of this order unless such time is hereafter extended by further order of the Commission.

7. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 3rd  
day of September, 1925.

H. W. Brundage

C. Hearsey

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Leon Whitell

Commissioners.