

LEM

Decision No. 15479

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 MT. LASSEN TRANSIT COMPANY,
 a corporation, to acquire certain
 operative rights and operative pro-
 perty from J.W.Houk and J.H.Smith,
 doing business under the fictitious
 name and style of Lassen Transit
 Company; for the approval of a cer-
 tain agreement in relation thereto;
 also, of Mt. Lassen Transit Company,
 a corporation, to issue and sell cer-
 tain stock in connection therewith;
 also, authorizing Mt. Lassen Transit
 Company, a corporation; to connect
 and consolidate its present opera-
 tive rights with the operative rights
 proposed to be purchased herein.

ORIGINAL

Application No. 11671

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

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to
make an order authorizing:-

1. J.W.Houk and J.H.Smith, co-partners, to sell and transfer their operative rights and properties to Mt. Lassen Transit Company, a corporation, and
2. Mt. Lassen Transit Company, a corporation, to issue \$22,500. of its common capital stock to finance the cost thereof, and
3. Mt. Lassen Transit Company, a corporation, to consolidate its present operative rights with those it proposes to acquire from J.W.Houk and J.H.Smith.

The Articles of Incorporation of Mt. Lassen Transit Company, a corporation, show that it was organized on or about

February 11, 1924 with an authorized capital stock of \$50,000., divided into 50,000 shares of the par value of \$1.00 each, all common. By Decision No. 14507, dated January 30, 1925, it was authorized to issue \$24,000. of its stock to finance the cost of acquiring the auto stage business and properties then being operated by Walter Gosney for the transportation of passengers, baggage and express generally between Red Bluff and Westwood, and to pay for additional equipment; and by Decision No. 15129, dated July 3, 1925, to issue the remaining \$26,000. of stock to pay for the auto stage business and properties then being operated by George A. Scott for the transportation of passengers, baggage and express generally between Greenville and Westwood and Crescent Mills and Westwood and the California-Nevada line near Doyle, Lassen County. As these two orders covered all of the corporation's authorized stock, it is now taking steps to increase its capital stock to \$300,000., all shares to be common.

The corporation's present operations are conducted under and pursuant to certificates of public convenience and necessity acquired by it under authority granted by the Commission as follows:-

App.	Dec.	Date	Route
10062	13651	June 5, 1924	Between Red Bluff, Tehama County, and Westwood, Lassen County, via Paynes Creek, Mineral and Chester, with no local service between Red Bluff and Paynes Creek, this right having been acquired from Walter Gosney.
10948	14737	Apr. 4, 1925	Between Keddle, Crescent Mills, Greenville, Forest Camp, Canyon Dam, Prattville, Almanor, Chester and Drakesbad and intermediate points for the transportation of passengers baggage, freight and express; and also between Keddle, Crescent Mills, Greenville, Westwood and Susanville for the transportation of passengers, baggage and express, these rights having been acquired from W.C. Lawrence.

App. Dec. Date

Route

11106 15129 July 3, 1925 Between Westwood and the point where the county road intersects the California-Nevada line near Doyle, Lassen County, via intermediate points; also between Greenville and Westwood and Greenville and Crescent Mills, but not intermediate points between Westwood and Greenville, these rights having been acquired from George A. Scott.

By Decision No. 14916, dated May 12, 1925 in Application No. 11087, the Commission authorized Mt. Lassen Transit Company and Shasta Transit Company to publish and file joint fares and to establish through routes between Sacramento and Westwood, via the Shasta Transit Company from Sacramento to Red Bluff and the Mt. Lassen Transit Company from Red Bluff to Westwood and between Redding and Westwood via the Shasta Transit Company from Redding to Red Bluff and the Mt. Lassen Transit Company from Red Bluff to Westwood.

On May 6, 1925 the corporation filed Application No. 11069, in which it asked for a certificate of public convenience and necessity permitting the consolidation of certain operative rights. This proceeding was joined with Application No. 11106 for the purpose of receiving evidence, and for decision. The decision on the two matters, No. 15129, dated July 3, 1925, granted the corporation a certificate permitting the consolidation and unification of the rights obtained by Mt. Lassen Transit Company from Walter Gosney pursuant to Decision No. 13651, from W.C. Lawrence, pursuant to Decision No. 14737, and from George A. Scott, pursuant to authority granted therein, and the operation as one unified system of through service for the transportation of passengers, baggage and express between all the termini and intermediate points served by and along such routes, express service being limited to the transportation of packages on passenger stages. The decision further recited that public convenience and necessity did not require the operation of an automotive truck service for the transportation of freight, except along the route and between the points

then served under the certificate acquired from W.C. Lawrance pursuant to Decision No. 14737, such route extending from Keddier to Drakesbad via Crescent Mills, Greenville, Forest Camp, Canyon Dam, Prattville, Almanor and Chester and intermediate points.

Subsequent to the date of the filing of Application No. 11069, the Commission by its Decision No. 15099, dated June 25, 1925, in Application No. 11007, granted a certificate of public convenience and necessity to applicant corporation, permitting it to transport passengers and baggage between Mineral, Tehama County, and a point on the old county road distant three miles, more or less, easterly therefrom, where such county road intersects with the private road maintained by the United States Forest Service, leading thence northeasterly, a distance of eleven miles, more or less, via Supan Sulphur Works to Lake Hellen, within the boundaries of the Lassen Volcanic National Park, which service is to be maintained as a part of and in connection with, a through service for the transportation of passengers and baggage between Mineral and Lake Hellen and intermediate points.

The corporation now seeks to expand its operations through the purchase of the operative rights and properties now owned and operated by J.W. Houk and J.E. Smith and through the consolidation of such rights with those it now owns. It appears that J.W. Houk and J.E. Smith, under the firm names of Chico-Westwood-Susanville Stage Company, Houk & Smith Stage Company and Lassen Transit Company, are the owners and holders of operative rights as follows:-

1. The right to operate auto stage lines for the transportation of passengers and baggage between Chico and Westwood and intermediate points, such right being based on the operation over such right prior to and continuously since May 1, 1917;
2. The right to operate auto stage lines for the transportation of passengers and baggage between Westwood and Susanville and intermediate points, such right

being based on Decision No. 7506, dated April 30, 1920 in Application No. 5449; and

3. The right to operate auto stage lines for the transportation of passengers and express between Chester, Plumas County, and Juniper Lake in Lassen Volcanic National Park insofar as such operations are conducted over public highways, such right being based on Decision No. 14510 dated January 30, 1925 in Application No. 10650.

The physical properties to be transferred to Mt. Lassen Transit Company, subject to the approval of the Commission in this proceeding, are described in Paragraph IV of the application as follows:-

1- White Bus	14-Passenger	Year 1921
1- White Bus	14-Passenger	Year 1921
1- White Bus	14-Passenger	Year 1920
1- White Bus	14-Passenger	Year 1920

1- Dodge Touring Car

Tools and fixtures used in the Chico Garage of Houk and Smith.
All furniture and equipment now contained in their Chico office.

The price agreed upon by the applicants as consideration for the transfer of the operative rights and properties described herein is \$22,500.00. The application recites that the value of the automotive equipment and personal property is in excess of \$15,000., the cost of such properties, as of December 31, 1924, having heretofore been reported to the Commission by J.W.Houk and J.E.Smith in their 1924 annual report at \$18,378.50. In addition to this amount the co-partners report that they have expended \$7,748.64 in obtaining and perfecting the operative rights.

To finance the cost of the rights and properties, applicant asks permission to issue \$22,500. of stock. Of this

amount it proposes to deliver \$5,000. to J.W.Houk on account of the purchase price and to sell the remaining \$17,500. at par for cash to obtain the money necessary to complete the payment.

We believe that this is a matter in which a public hearing is not necessary and we are of the opinion and hereby find as a fact that the transfer of the operative rights and properties of J.W. Houk and J.E.Smith to Mt. Lassen Transit Company should be authorized; that permission to issue \$22,500.00 of stock by Mt. Lassen Transit Company should be granted; and that public convenience and necessity require the consolidation and unification of the operative rights of Mt. Lassen Transit Company with those it is herein authorized to acquire.

An order will be entered accordingly.

ORDER

J. W. Houk and J. H. Smith having applied to the Railroad Commission for permission to sell and transfer their operative rights and properties to Mt. Lassen Transit Company, a corporation, and Mt. Lassen Transit Company, a corporation, having applied for permission to issue \$22,500. of stock and for a certificate of public convenience and necessity permitting it to link, join and unite its present operative rights with those to be acquired from J.W.Houk and J.H.Smith; and the Commission being of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted as herein provided and that the issue of \$22,500. of stock is reasonably required by Mt. Lassen Transit Company;

IT IS HEREBY ORDERED that J. W. Houk and J.E. Smith, co-partners, doing business under the firm name of Houk and Smith Stage Company, Chico-Westwood-Susanville Stage Company and Lassen Transit Company, be, and they hereby are, authorized to transfer to Mt. Lassen Transit Company the equipment and operative rights described in this application and in the opinion preceding this order, and Mt. Lassen Transit Company, a corporation, be, and it hereby is, authorized to issue, on or before June 30, 1926, \$22,500. of its common capital stock to pay for, or to provide the cost of such equipment properties and operative rights;

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the consolidation and unification of the present operative rights of Mt. Lassen Transit Company, with those it is herein authorized to acquire from J.W.Houk and J.E.Smith and the operation as one unified system of transportation of through service for the carriage of passengers, baggage and express (express service being limited to the transportation of packages on passenger stages) between all the terminal and intermediate points served by and along the routes covered by such rights, which rights have been acquired by Mt. Lassen Transit Company under the authority granted by the following decisions;-

1. By Decision No. 15129, dated July 3, 1925 in Application No. 11069, permitting the consolidation and unification by Mt. Lassen Transit Company of the following routes;-

- a. Between Red Bluff and Westwood via Paynes Creek, Mineral and Chester, theretofore acquired from Walter Gosney pursuant to Decision No. 13651, dated June 5, 1924 in Application No. 10062.
- b. Between Keddie, Crescent Mills, Greenville, Forest Camp, Canyon Dam, Prattville, Almanor, Chester and Drakesbad and also between Keddie, Crescent Mills, Greenville, Westwood and Susanville, acquired from W.C. Lawrence pursuant to Decision No. 14737, dated April 4, 1925, in Application No. 10948.

c. Between Westwood and the point where the county road intersects the California-Nevada line near Doyle, and also between Westwood and Greenville and Crescent Mills and Greenville, acquired from George A. Scott pursuant to Decision No. 15129, dated July 3, 1925 in Application No. 11106.

2. By Decision No. 15099, dated June 25, 1925 in Application No. 11007 permitting operations between Mineral, Tehama County, and a point on the old County Road, distant three miles, more or less, easterly therefrom, where such county road intersects the private road maintained by the United States Forest Service, thence northeasterly, a distance of eleven miles, more or less, via Supan Sulphur Works to Lake Hellen.
3. By the authority herein granted permitting operations between Chico and Westwood; between Westwood and Susanville; and between Chester, Plumas County, and Juniper Lake, insofar as such operations are conducted over public highways.

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be, and it is hereby, granted to Mt. Lassen Transit Company to consolidate and unify all its operating rights, including those it is herein authorized to acquire from J.W.Houk and J.E.Smith, so as to enable it to render through service in accordance with the foregoing declaration between all the terminal and intermediate points served by and along the routes covered by such rights.

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

1. J.W.Houk and J.E.Smith shall cancel immediately all time schedules, tariffs, rates and classifications at present on file with the Railroad Commission, and Mt. Lassen Transit 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 J.W.Houk and J.H.Smith, 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. Mt. Lassen Transit Company, a corporation, shall file its written acceptance of the certificate herein granted within a period of not to exceed ten days from the date hereof, and shall file in duplicate, its tariff of rates, fares, time schedules, rules and regulations within a period of not to exceed thirty days from the date hereof and shall commence operation of the service herein authorized within a period of not to exceed sixty days from the date hereof unless the time for commencement of operations hereunder is hereafter extended by a further order of the Commission.
3. 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.
4. The amount of stock which the Mt. Lassen Transit Company 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. Mt. Lassen Transit Company 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 insofar as applicable, is made a part of this order.
6. Mt. Lassen Transit Company shall file a certified copy of its amended Articles of Incorporation within ten days after filing a copy thereof with the Secretary of State.
7. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 1st day of October, 1925.

H. B. Brundage

George D. Squires

Leon Whitell

Commissioners.