

ORIGINAL

Decision No. 17363

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WILEY J. GIBSON)
to transfer certain operative rights)
to Borderland Express, Inc., and of)
Borderland Express, Inc., to issue)
stock.)

Application No. 13072

Richard T. Eddy, for applicant.

BY THE COMMISSION:

O P I N I O N

Wiley J. Gibson asks permission to transfer to the Borderland Express, Inc., a corporation, the operative rights and other property referred to herein. The Borderland Express, Inc. asks permission to purchase such rights and property and issue in payment therefor \$50,000.00 of its common capital stock. The corporation also asks permission to issue \$300.00 of its common capital stock to its directors.

The operative rights which Wiley J. Gibson, doing business under the fictitious name and style of Borderland Express, desires to transfer to the Borderland Express, Inc. were granted by the Commission in the following decisions:-

- Decision No. 8044 dated June 7, 1920, Application No. 5788
- Decision No. 9316 dated August 5, 1921 Application No. 7058
- Decision No. 11555 dated Jan. 25, 1923, Application No. 8203
- Decision No. 16797 dated June 5, 1926, Application No. 12654

By Decision No. 8044 the Commission authorized Moore and Gibson, a co-partnership, to operate an automobile truck service for the transportation of freight between El Centro and Holtville. By Decision No. 9316 the Commission authorized Moore and Gibson to transfer the operative right granted by Decision No. 8044 to Wiley J. Gibson. By Decision No. 11555 the Commission granted Wiley J. Gibson an operative right to engage in an automobile truck service between El Centro and San Diego, over and along the following route:-

Leaving San Diego traveling east on Imperial Avenue, thence via county highway through Encanto and Lemon Grove, thence branching off on the Spring Valley Road, thence over the county highway through Spring Valley, Jamul, Dulzura, Potrero and Campo, joining the state highway at Newton, thence over said state highway through Jacumba and Mountain Springs to El Centro.

By Decision No. 16797 the Commission authorized Wiley J. Gibson to extend the service established pursuant to Decision No. 11555 so as to include Tecate and Live Oak Springs. In addition to the foregoing operative rights Wiley J. Gibson is authorized by Decision No. 15005, dated June 3, 1925, in Application No. 10894 to publish and file joint rates with Pioneer Truck and Transfer Company covering service from points on the one line to points on the other, the Pioneer Truck and Transfer Company being engaged in truck operation between Brawley, Imperial, Heber, and Calexico. Thereafter by Decision No. 15550, dated October 21, 1925, in Application No. 11713, Wiley J. Gibson and Pioneer Truck and Transfer Company were authorized to operate a through service from points on the one line to points on the other, limited, however, to full truck load shipments, moving from one consignor to one consignee and from one point of origin to one point of destination.

In Exhibit "B", Wiley J. Gibson reports his assets and liabilities as of May 1, 1926, as follows:-

ASSETS:

Stock and parts - San Diego . .	\$4,272.40 .	
" " " - El Centro . .	<u>1,904.00</u>	\$6,176.40
Tires		867.80
Equipment and trucks of every character		33,700.00
Terminal equipment, fixtures, etc. El Centro		3,088.00
Real Estate - El Centro		1,800.00
Real Estate - San Diego		<u>17,500.00</u>
Total Assets		<u>\$63,132.20</u>

LIABILITIES:

Mortgage on real estate - San Diego	\$4,000.00
Truck notes on conditional contracts.	<u>8,867.10</u>
Total Liabilities.	<u>\$12,867.10</u>

At the date of the hearing had on this application the liabilities were reported at \$9,867.10.

It is of record that the stage equipment referred to above has been appraised by A. Woods of the Federal Motor Truck Company of San Diego. The equipment together with the value assigned to each unit thereof is reported by applicant in its Exhibit "B" as follows:-

Year	Make	Tonnage	Value
1924	Federal	2 $\frac{1}{2}$	\$2,500.00
1923	Moreland	3	2,000.00
1926	Mack	3	4,000.00
1926	Mack	3	4,500.00
1925	Graham	1 $\frac{1}{2}$	1,500.00
1923	Moreland	3	3,000.00
1923	Mack	3 $\frac{1}{2}$	5,000.00
1923	Indiana	3	3,000.00
1924	Mack	3	3,250.00
1919	Kissel	2	2,500.00
1923	Reo		1,200.00
1919	Studebaker		300.00
1920	Cad. Service Car		500.00
	Two wheel trailer		<u>450.00</u>
			<u>\$33,700.00</u>

The San Diego real estate mentioned above consists of two lots at 13th and "J" Streets having a total frontage of 100 feet on both streets. The property has been appraised by the Chairman of the San Diego Realty Board at \$17,500. It is the intention of the Borderland Express, Inc., if permitted to acquire the property, to locate thereon its San Diego terminal.

The annual reports of Wiley J. Gibson for the three years ending December 31, 1925, filed with the Railroad Commission show operating revenues and expenses as follows:-

Item	1925	1924	1923
Transportation revenue . . .	\$94,229.76	\$61,980.91	\$36,108.86
Transportation expense . . .	92,490.07	62,369.25	44,369.92
Net operating revenue. . .	1,739.69	388.34*	8,261.06*
Deduct interest.	542.52	637.26	142.53
Profit for year.	<u>\$1,197.17</u>	<u>\$1,025.60*</u>	<u>\$8,403.63*</u>

*loss

ORDER

Application having been made to the Railroad Commission for an order authorizing Wiley J. Gibson to transfer operative rights and properties to the Borderland Express, Inc. and authorizing said corporation to purchase said properties and issue \$50,300. par value of common capital stock, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that this application should be granted as herein provided and that the issue of stock is reasonably required for the purposes specified herein,

IT IS HEREBY ORDERED that Wiley J. Gibson, doing business under the firm name and style of Borderland Express be,

and he is hereby, authorized to transfer to Borderland Express, Inc. the properties described in the opinion which precedes this order including the operative rights to which reference is made in said opinion.

IT IS HEREBY FURTHER ORDERED that the Borderland Express, Inc. be, and it is hereby, authorized to acquire on or before December 31, 1926, said properties and operative rights subject to an outstanding indebtedness of not exceeding \$9,867.10 and to issue in part payment thereafter not exceeding \$50,000. par value of its common capital stock.

IT IS HEREBY FURTHER ORDERED that Borderland Express, Inc. be, and it is hereby, authorized to issue and sell at not less than par \$300. par value of its common capital stock and use the proceeds to pay organization expenses.

The authority herein granted is subject to further conditions as follows:-

1. Wiley J. Gibson, doing business under the firm name and style of Borderland Express, shall cancel immediately all tariffs heretofore filed by him with the Railroad Commission, such cancellation to be in accordance with the provisions of General Order No. 51 and other regulations of the Railroad Commission, and Borderland Express, Inc. shall file immediately new tariffs in duplicate in its own name, such tariffs to be identical with those heretofore filed by Wiley J. Gibson.
2. The rights and privileges herein authorized to be transferred may not be discontinued, sold, leased, transferred or assigned unless the

written consent of the Railroad Commission has first been secured.

3. No vehicle may be operated by Borderland Express, Inc. unless such vehicle is owned by it or is leased under a contract or agreement on a basis satisfactory to the Commission.
4. Applicant, Borderland Express, Inc., shall keep such record of the issue of the stock herein authorized and of the disposition of the proceeds as will enable it to file, within thirty (30) days thereafter 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.
5. The authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 21st
day of September, 1926.

H. R. Brundage
C. E. Sawyer
Emm. J. C. O'Connell
Leon A. Whelan
Thos. S. Rountree

Commissioners.