

Decision No. 18242

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 MURRAY D. BAYLES, doing business as )  
 Wheeler's Hot Springs Stage Line, to )  
 sell, and PAUL DERKUM, doing business )  
 as Derkum Stage Lines, to purchase an ) Application No. 13707  
 automobile passenger and express line )  
 operated between Los Angeles and )  
 Wheeler's Hot Springs, California. )

BY THE COMMISSION -

OPINION and ORDER

Murray D. Bayles has petitioned the Railroad Commission for an order approving the sale and transfer by him to Paul Derkum of an operating right for the transportation of passengers and express between Los Angeles and Wheeler's Hot Springs and certain intermediate points, and Paul Derkum has applied for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with an oral agreement, the terms of which are set forth in the application herein. Applicant Bayles further asks that the Commission revoke its order made in Decision No. 17000, dated June 25, 1926, and issued on Application No. 12966 by the terms of which order Murray D. Bayles transferred to Eugenie Catjins the operating right herein proposed to be transferred to Derkum.

The consideration to be paid for the property herein proposed to be transferred, according to the oral agreement entered into by applicants Bayles and Derkum is the sum of \$1500, all of which sum applicants declare to be the value of intangibles.

The operating right herein proposed to be transferred was granted to Murray D. Bayles(s) in Decision No. 15321, dated August 18, 1925, and issued on Application No. 10585, as amended

by Decision No.15729. The decisions cited above find that public convenience and necessity require the operation by Murray D. Bayles(s) between May 1st and November 1st of each year of an automotive stage line for the transportation of passengers and express matters between

Los Angeles and Wheeler's Hot Springs and intermediate points, provided, however, that public convenience and necessity do not require the operation by said applicant of automotive passenger and express service either by the operation of local stages or upon through stages, between Los Angeles, Ojai and intermediate points, inclusive, except such passengers or express packages that are picked up or discharged in said territory when originating at or destined to points north of Ojai to and including Wheeler's Hot Springs.

In Decision No.17000, hereinabove referred to, the Railroad Commission authorized Murray D. Bayles to transfer the operating right herein described to Eugenie Gatjens. The transfer was made under the terms of a conditional contract of sale which provided that the title to said operating right should remain in said Murray D. Bayles until full payment of the purchase price was made by said Eugenie Gatjens to said Murray D. Bayles. It now appears from the application that Eugenie Gatjens defaulted under the terms of said contract and failed to make the payments required thereunder and that on October 11, 1926, he rescinded said contract in the manner provided therein. It further appears that said Eugenie Gatjens became bankrupt, the bankruptcy proceedings being numbered 8893-J in the District Court of the United States for the Southern District of California, Southern Division. Attached to the application herein is a copy of an order signed by Earl E. Moss, Referee in Bankruptcy in said court, and dated March 16, 1927, authorizing Hubert F. Laugharn, trustee in the matter of the bankruptcy of Eugenie Gatjens, to abandon and to disclaim all title in and to the contract for the operation of a stage line entered into by Murray D. Bayles and Eugenie Gatjens.

We are of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted.

IT IS HEREBY ORDERED that the rescinding by Murray D. Bayles of a conditional sales contract under which he transferred to Eugenie Gatjens a certificate of public convenience and necessity authorizing operation of an auto stage line between Los Angeles and Wheeler's Hot Springs and certain intermediate points, said Eugenie Gatjens having defaulted in payments provided for in said conditional sales contract, and left the state, be and the same hereby is approved and

IT IS HEREBY FURTHER ORDERED that the order of the Railroad Commission in Decision No. 17000, issued on Application No. 12966 approving the transfer by Bayles to Gatjens of said operating right be and the same hereby is revoked and annulled, and

IT IS HEREBY FURTHER ORDERED that said Murray D. Bayles be and he hereby is authorized to sell and transfer to Paul Derkum said operating right, and Paul Derkum be and he hereby is authorized to purchase and acquire said operating right and to hereafter operate thereunder, provided

1- The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property for rate fixing, or any purpose other than the transfer herein authorized.

2- Applicant Murray D. Bayles, for and in behalf of himself and Eugenie Gatjens, shall immediately unite with applicant Paul Derkum in common supplement to the tariffs on file with the Commission, applicant Bayles on the one hand withdrawing, and applicant Derkum on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Murray D. Bayles, for and in behalf of himself and Eugenie Gatjens shall immediately withdraw time schedules filed in the name of Eugenie Gatjens with the Railroad Commission, and applicant Paul Derkum shall immediately file, in duplicate, in his own name, time schedules covering service heretofore given by applicant Gatjens, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Gatjens, or time schedules satisfactory to the Railroad Commission.

4- The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

5- No vehicle may be operated by applicant Derkum unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 20<sup>th</sup> day of April, 1927.

Ernest J. Galt  
H. B. Brundage  
O. L. Seaver

Commissioners.