

Decision No. 18998**ORIGINAL**

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of )  
 SHAKARIAN, KARDASHIAN, PERUMEAN and )  
 STRATTON to transfer certain operative ) Application  
 rights to JOSEPE K. HAWKINS. ) No.14068

BY THE COMMISSION -

OPINION and ORDER

Isaac Shakarian, Tom Kardashian, Joe Perumean and S. J. Stratton, co-partners, have applied to the Railroad Commission for an order approving the sale and transfer by them to Joseph K. Hawkins of an operating right for an automotive service for the transportation of property between the so-called Ontario district, near Los Angeles and Los Angeles, Pasadena and El Monte, and Joseph K. Hawkins has asked for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement marked Exhibit "A", which exhibit is attached to the application and made a part thereof.

The consideration for the property herein proposed to be transferred is given as \$15,000. Of this sum \$1500 is declared by applicants to be the value of intangibles and \$13,500 is said to be the value of certain equipment.

The operating right herein proposed to be transferred was granted to the partnership composed of applicants Shakarian, Kardashian, Perumean and Stratton by the Railroad Commission in its Decision No.18538, dated June 22, 1927, and issued on Application No.13526. Said decision authorizes the partners to operate an automobile trucking service

\*\*\*\*\*for the transportation of milk, cream and other dairy products between the districts indicated below and Ontario, El Monte, Pasadena and Los Angeles, and for the return transportation of articles and commodities necessary for the business of dairying and consigned only to dairymen shipping from said districts over applicants' service to Ontario, El Monte, Pasadena and Los Angeles, including feed, dairy supplies, acetylene tanks, ammonia vats, utensils and machinery used exclusively in the business of

"dairying, and for no other service or commodities,  
said districts being bounded as follows:

District No.1: Bounded on the north by Holt Avenue, on the west by Euclid Avenue, on the south by Eucalyptus Avenue projected eastwardly to the junction of Padley Road and Norco Road, on the east by Norco road to San Diego Inland Road, thence westerly along Silo Street to Archibald Avenue, thence north to Holt Avenue.

District No.2: Bounded on the north by Holt Avenue, on the east by Euclid Avenue, on the south by Eucalyptus Avenue and on the west by the Pomona-Corona Road and Garey Avenue;

provided, that applicants may pick up and deliver at no greater distance than one and one-half miles west of said roads, measured west from a line drawn north and south from the conjunction of the Pomona-Corona Road and Eucalyptus Avenue; over and along the following routes:

Via Valley Boulevard and Mission Road between Ontario and Los Angeles and El Monte.

Via Valley Boulevard and San Gabriel Boulevard between Ontario and Pasadena."

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, with the understanding, however, that the order herein shall not be construed as authority for applicant Hawkins to link up or merge the operating right herein authorized to be transferred with the operating rights he now owns.

The purchaser is hereby placed upon notice that "Operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given. The Commission at the early stages of the development of this kind of transportation should be extremely careful not to lend encouragement to the idea that these rights possess a substantial element of value, either for rate fixing or capitalization.

IT IS HEREBY ORDERED that the above entitled application be and the same hereby is granted, subject to the following conditions:

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- Applicants Shakarian, Kardashian, Perumean and Stratton shall immediately unite with applicant Hawkins in common supplement to the tariffs on file with the Commission, applicants Shakarian, Kardashian, Perumean and Stratton on the one hand withdrawing, and applicant Hawkins on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicants Shakarian, Kardashian, Perumean and Stratton shall immediately withdraw time schedules filed in their names with the Railroad Commission, and applicant Hawkins shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant the partnership, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Shakarian, Kardashian, Perumean and Stratton 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 Hawkins 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 8<sup>th</sup> day of  
October, 1927.

Emmertold  
Chase

Thos S. Lewis

M. A. Curran  
COMMISSIONERS.