

Decision No. 19609

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SHAKARIAN, KARDASHIAN and PERUMEAN)
 to transfer to S. J. STRATTON a) Application 14565
 one-fourth interest in automobile)
 truck line between Hynes, etc. and)
 Los Angeles.)

BY THE COMMISSION -

OPINION and ORDER

Isaac Shakarian, Tom Kardashian and Joe Perumean, co-partners, have applied to the Railroad Commission for an order approving the sale and transfer by them to S. J. Stratton of a one-quarter interest in an operating right for an automotive service for the transportation of milk and other dairy products and dairy supplies between ranches in the vicinity of Hynes, Clearwater and Downey and Los Angeles, and S. J. Stratton has applied for authority to purchase and acquire said one-quarter interest and, with the other partners, continue said described operation under the name of Joseph Perumean & Company.

The consideration to be paid for the property herein proposed to be transferred is given as \$4000 cash. Of this sum \$3500 is said to represent the value of certain equipment and \$500 is declared to be the value of intangibles.

The operating right, a one-quarter interest in which is herein sought to be transferred, was originally granted to John Hamo and A. Semonian, co-partners, by Railroad Commission Decision No. 15528, dated October 15, 1925, and issued on Application No. 11205. Said decision authorized the partners to transport milk and other dairy products between ranches in the vicinity of Hynes, Clearwater and Downey and Los Angeles and, on the return haul, dairy feed and supplies from Los Angeles to said ranches. By Decision No. 15805, dated December 29, 1925, issued as a supplemental order, the route to be followed is described as follows:

Beginning at the intersection of First Street and College Avenue in Downey, thence south on College Avenue and Ocean Avenue to Artesia Avenue, thence east on Artesia Avenue to New York Avenue, thence north on New York Avenue to Center Street, thence east on Center Street to Cerritos Avenue, thence north on Cerritos Avenue to Zinn (Curtin) Road, thence east to Woodruff Avenue, thence north to Washburn Road, thence east to the junction of Downey-Norwalk Road, thence north to First Street, thence west on First Street to the point of beginning; and all points not to exceed one-half mile on either side thereof; and from Downey to Los Angeles via the Los Angeles-Downey Road via Bell; also, Curtin Road between College and Cerritos Avenues; Cerritos Avenue between First and Curtin Road; Alameda between College and Crawford; Crawford between Alameda and First; Dolan between First and Texas; Palm between Crawford and Cerritos.

Decision No.15958, dated February 8, 1926, and issued on Application No.12472, Hemo and Semonian were authorized to transfer the operating right herein described to Isaac Sahkarian (Shakarjian) Tom Kardashian and Joe Perumean, co-partners.

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.

Isaac Shakarian, Tom Kardashian, Joe Perumean and S.J.Stratton, co-partners, operating under the fictitious name of Joseph Perumean & Company, are 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.

IT IS HEREBY ORDERED that the above entitled application be, and the same is hereby 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- Applicant Shakarian, Kardashian and Perumean shall immediately unite with applicant Shakarian, Kardashian, Perumean and Stratton, operating under the fictitious name of Joseph Perumean & Company, in common supplement to the tariffs on file with the Commission, applicants Shakarian, Kardashian and Perumean on the one hand withdrawing, and applicants Shakarian, Kardashian, Perumean and Stratton, operating under the fictitious name of Joseph Perumean & Company, on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicants Shakarian, Kardashian and Perumean shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicants Shakarian, Kardashian, Perumean and Stratton, operating under the fictitious name of Joseph Perumean & Company, shall immediately file, in duplicate, in their own names time schedules covering service heretofore given by applicants Shakarian, Kardashian and Perumean, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Shakarian, Kardashian and Perumean, 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 applicants Shakarian, Kardashian, Perumean & Stratton, operating under the fictitious name of Joseph Perumean & Company, unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 13th day of April, 1928.

Leon Whitehill
Ch. Deane
David L. ...
...
 COMMISSIONERS.