

Decision No. 21065.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
GEORGE J. ABAJIAN, JOE BOZOFF,
KAZAROFF ANTHOYAN and HAIG STEPANIAN,
co-partners, doing business under the
fictitious name of California Milk
Transportation Company, to sell and
transfer, and of Joe Bozoff to pur-
chase an automobile truck route oper-
ated between the points named in De-
cision No. 15724 of this Commission.

ORIGINAL

Application No. 15548

Frank R. Carrell, for applicants.

BY THE COMMISSION:

O P I N I O N

In the above entitled matter the Railroad Commission is asked to make an order authorizing the transfer of certain automobile truck operative rights and properties to Joe Bozoff and the execution by Joe Bozoff of mortgages on real properties and a chattel mortgage upon personal properties and the issue of two notes in the aggregate amount of \$24,000.00.

The application shows that George J. Abajian, Joe Bozoff, Kazaroff Anthoyan and Haig Stepanian as co-partners, doing business under the firm name and style of California Milk Transportation Company are engaged in the operation of an automobile truck line for the transportation of milk and dairy products between dairy farms in the general vicinity of Clearwater, Hynes and Artesia, and creameries located in the Cities of Los Angeles and Long Beach. The operative right enjoyed by the co-partners originally was granted by the Commission by Decision No. 15724, dated December 7, 1925, in Application

No. 11258, to Joe Bozoff and Acop Tarvoff and was transferred to the present owners pursuant to authority granted by Decision No. 19758, dated May 11, 1928, in Application No. 14651. The right authorizes service for the

"transportation of milk and dairy products between farms in the vicinity of Clearwater, Hynes and Artesia, and Los Angeles, and the return movement of dairy feed and supplies, and for the transportation of milk and dairy products between Artesia, Bellflower, Clearwater, Downey, Hynes, Los Alamitos, Norwalk and Studebaker, and Long Beach, and the return movement of dairy feed and supplies, over and along the following routes:

Into Los Angeles--beginning at the junction of Temple Street and Main Street, Compton, (Temple Street situated one block east of Long Beach Boulevard; Main Street, Compton, also known as Lemon Street or Washington Street); east on Main Street to Gibson Road, north on Gibson Road to State Street, east on State Street to Michigan Avenue, north on Michigan Avenue to County Farm, including farms situated one-half mile on either side of Michigan Avenue, east of State Street to Ocean Avenue, south on Ocean Avenue to Washington Street, east on Washington Street to Cerritos Avenue, south on Cerritos Avenue to Center Street, west on Center Street to New York Avenue, south on New York Avenue to South Street, west on South Street past Maple Street to east bank of Los Angeles River, north along the east bank of Los Angeles River to Artesia Street, west on Artesia Street to Gibson Road, north on Gibson Road to Main Street.

Into Long Beach--Beginning at point where Southern Pacific Company railroad crosses the Los Angeles River, northwest of Downey, southeast along county road to Downey, southeast via Downey-Norwalk Boulevard to Norwalk, southeast from Norwalk via County Road to junction with county road running directly south through the town of Cypress to Long Beach-Los Alamitos Boulevard; west from said Junction via Long Beach-Los Alamitos Boulevard through the town of Los Alamitos to Long Beach city limits, north from Long Beach city limits following the east bank of the Los Angeles River to Southern Pacific Company railroad crossing northwest of Downey,"

provided that no service be performed between the junction of Temple and Main Streets in the City of Compton and any point west of the Los Angeles River, and that no shipment be received more than one-half mile north of State Street for transportation to Los Angeles.

The physical properties operated by the co-partners include seven(7) 2-1/2 ton Mack trucks; one (1) 3-1/2 ton Packard truck; one (1) 2-1/2 ton White truck; one (1) Fageol truck; one (1) Ford truck; one (1) 1-1/2 ton Barr trailer; two (2) 3-1/2 ton Hercules trailers; one (1) 1-1/2 ton Homemade trailer; one (1) 1/2 ton Home-made trailer; and two (2) five-ton Utility trailers; together with miscellaneous tools and other personal property, and five (5) town lots located at Clearwater, Los Angeles County, described as follows:-

"All that certain real property situate in the County of Los Angeles, State of California, described as follows, to-wit;

Lots 5, 6, 7, 18 and 19, Block 30 in the Town of Clearwater, as per map recorded in Book 19, Pages 51 to 54, Miscellaneous Records of Los Angeles County, California."

It is alleged that the co-partners own the business, property and assets in equal individual shares, and that the total present value of the real and personal properties is at least \$38,000.00.

It now appears that arrangements have been made to dissolve the partnership and to cause the transfer of the interests of George J. Abajian, Kazaroff Anthoyan and Haig Stepanian to Joe Bozoff, who will continue to conduct the operations as sole owner. The application sets forth that George J. Abajian and Haig Stepanian have agreed to sell their interest, in the properties for \$19,000.00, payable \$4,000. upon the execution of the agreement to sell, and the balance of \$15,000. in monthly installments of \$500., with interest at seven percent per annum until the said balance is reduced to \$5,000. When the balance has been reduced to \$5,000. the same is payable thirty (30) days thereafter. The payment of the \$15,000. is to be evi-

denced by a note secured by a mortgage on Lots 5, 6 and 7 in Block 30 of the Town of Clearwater, a mortgage on Lots 18 and 19 in Block 30 of the Town of Clearwater and a chattel mortgage on the personal properties now belonging to the co-partnership. Kazaroff Anthoyan has agreed to sell his interest for \$9,500.00, payment to be made in cash in the amount of \$500.00 and by an unsecured note for the balance of \$9,000.00, payable in monthly installments of \$250.00., with interest at the rate of seven percent per annum. Copies of the three mortgages and of the two notes were filed with the Commission on April 29, 1929, and appear to be in satisfactory form.

It appears to us that the granting of this application is in the public interest. The Commission, however, wishes to place the purchaser 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 the purely permissive effect, 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.

ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer of operative rights and properties, the execution of mortgages and the issue of notes in the principal amount of \$24,000.00, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the application should be granted, as herein provided, and that the money,

property or labor to be procured or paid for through the issue of the notes is reasonably required for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED, that George J. Abajian, Haig Stepanian and Kazaroff Anthoyan be, and they hereby are, authorized to transfer to Joe Bozoff, under the terms and conditions outlined in the preceding opinion, their partnership interests in the operative rights and properties referred to.

IT IS HEREBY FURTHER ORDERED, that Joe Bozoff be, and he hereby is, authorized to execute three mortgages in substantially the same form as those filed with the Commission in this proceeding on April 29, 1929, and to issue his promissory notes, as indicated in the preceding opinion, in the total amount of \$24,000.00 to pay in part for the partnership interests herein authorized transferred.

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

(1) The authority herein granted to execute mortgages is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Auto Stage and Truck Transportation Act, and is not intended as an approval of said mortgages as to such other legal requirements to which said mortgages may be subject.

(2) Joe Bozoff shall keep such record of the issue of the notes herein authorized as will enable him to file on or before thirty 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.

(3) The consideration to be paid for the properties herein authorized to be transferred shall never be urged before this Commission or any other public body as a measure of value of such property for any purpose other than the transfer herein authorized.

(4) Applicants Abajian, Stepanian, Anthoyan and Bozoff shall unite immediately with Applicant Bozoff in common supplement to the tariffs on file with the Commission, applicants Abajian, Stepanian, Anthoyan and Bozoff on the one hand withdrawing, and applicant Bozoff on the other hand accepting and establishing such tariffs and all effective supplements thereto.

(5) Applicants Abajian, Stepanian, Anthoyan and Bozoff shall immediately withdraw the time schedule filed in their name with the Railroad Commission and applicant Bozoff shall immediately file in duplicate in his own name time schedules covering the service heretofore given by Abajian, Stepanian, Anthoyan and Bozoff, which time schedules shall be identical with the time schedules now on file with the Railroad Commission, or time schedules satisfactory to the Railroad Commission.

(6) The rights and privileges herein authorized to be transferred may not be sold, leased, transferred or assigned or service thereunder discontinued unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has been secured.

(7) No vehicle may be operated by Joe Bozoff unless such vehicle is owned by said company or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

(8) The authority herein granted shall become effective when Joe Bozoff has paid the minimum fee required by Section 57 of

the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

DATED at San Francisco, California, this 9th day of
May, 1929.

Thos D. Lott

Ed. J. ...

Spencer ...

Leon ...

M. J. ...

Commissioners.

Fee \$ 25 ⁰⁰/₁₀₀
RAILROAD COMMISSION
STATE OF CALIFORNIA
[Signature]
BY ... SECRETARY
Fee \$