

Decision No. 24136

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN JOAQUIN VALLEY TRANSPORTATION COMPANY, a corporation, IMPERIAL VALLEY-LOS ANGELES EXPRESS, a corporation, LOS ANGELES-SAN PEDRO TRANSPORTATION COMPANY, INC., a corporation, BOULEVARD EXPRESS, INC., a corporation, and PACIFIC FREIGHT LINES COMPANY, a corporation, SELLERS, and MOTOR FREIGHT TERMINAL COMPANY, a corporation, BUYER, for an order of the Railroad Commission of the State of California: (a) authorizing the Sellers to sell and convey and the Buyer to purchase and acquire the properties, businesses and rights referred to in this application; (b) authorizing the Buyer to issue its common capital stock in payment of said properties, businesses and rights; (c) authorizing a consolidation of said properties, businesses and rights; and (d) issuing to Buyer an In Lieu Certificate of Public Convenience and Necessity.

ORIGINAL

Application No. 17517

- W. F. Williamson Wallace & Vaughan, by R.L. Vaughan, for applicants.
- H. J. Bischoff, for Coast Truck Line, Motor Service Express, Rice Transportation Company, Donovan Transportation Company and Borderland Express, Incorporated, interested parties.
- G. V. Shoup and W. S. Johnson, by W. S. Johnson, for Southern Pacific Company, protestant.
- Edward Stern, for Railway Express Agency, Inc., protestant.
- W.F. Brooks, for The Atchison, Topeka and Santa Fe Railway Company, protestant.
- H. C. Carter, for Puckett Freight Lines, Ltd., protestant.
- L. B. Young and W. S. Johnson, by W. S. Johnson, for Pacific Motor Transport Company, protestant.

BY THE COMMISSION:

OPINION AND PRELIMINARY ORDER

In this application the Railroad Commission is asked to authorize the transfer to Motor Freight Terminal Company of operative rights and properties of the following companies:

San Joaquin Valley Transportation Company
Imperial Valley-Los Angeles Express
Los Angeles-San Pedro Transportation Company, Inc.
Boulevard Express, Inc.
Pacific Freight Lines Company (Southern Division only)

The Commission is asked also to enter its order authorizing Motor Freight Terminal Company to consolidate the operative rights it will acquire with those now possessed by it and to grant to the company a certificate of public convenience and necessity in lieu of the operative rights to be consolidated; and further, to authorize Motor Freight Terminal Company to issue its common capital stock in amounts equal to the net book worth of the selling companies to pay, in part, for the properties, businesses and rights to be transferred to it.

Public hearings in the matter were held before Examiner Kennedy in Los Angeles on September 29th and 30th and on October 1, 1931. At the conclusion of those hearings it was agreed by counsel for the several parties interested in this proceeding that the Commission might, if it saw fit to do so, enter an order at this time passing upon the application so far as it related to the transfer of properties, and the issue of stock, but that the request so far as it concerned the consolidation of operative rights and the issuance of an in lieu certificate should be continued for further hearings.

The record shows that the six corporations, applicants herein, are controlled through stock ownership by the same interests. They have decided to consolidate the ownership and operations under one corporate entity, Motor Freight Terminal Company, it being thought that such action will simplify and facilitate operations and will result in better service being given the public.

The six corporations are engaged in the business of transporting property by auto trucks over and along the public highways of the State of California. In general, Motor Freight Terminal Company is operating between Los Angeles, Bakersfield, Westside, Wasco and Arvin and Los Angeles and Santa Barbara and San Luis

Obispo; San Joaquin Valley Transportation Company, Inc., between Los Angeles, Bakersfield, Fresno and other points in the San Joaquin Valley; Imperial Valley-Los Angeles Express between Los Angeles and Imperial Valley points; Los Angeles-San Pedro Transportation Company/^{Inc.} between Los Angeles and the harbor district; Boulevard Express, Inc. between Los Angeles and San Diego; and Pacific Freight Lines Company between Los Angeles and San Bernardino and Los Angeles, Oxnard, Ventura and Ojai. The latter company also conducts some freight transportation about the San Francisco Bay region, but such operations are not involved in this proceeding and will not at this time be transferred to Motor Freight Terminal Company. The operative rights now proposed to be transferred are set forth and described in Exhibit One attached hereto and made a part hereof.

The consideration to be given to the five selling operators for their properties, businesses and rights is common capital stock of the seller in amounts equal to the net book worth, as disclosed by the books of Boulevard Express, Inc., as of July 31, 1931 and of the other selling companies as of June 30, 1931, plus the assumption by the seller of outstanding indebtedness. The total net book worth is reported at \$667,261.83, segregated as follows:-

San Joaquin Valley Transportation Company.....	\$69,393.72
Imperial Valley-Los Angeles Express.....	73,822.67
Los Angeles-San Pedro Transportation Com- pany, Inc	45,953.11
Boulevard Express, Inc	409,458.08
Pacific Freight Lines Company(Southern Division)	68,634.25
TOTAL.....	<u>\$667,261.83</u>

In support of these net worth figures, applicants have filed, as Exhibits 8, 9, 10, 11 and 12, financial statements of the selling companies. The combined balance sheets, as reflected on such exhibits show the following asset, liability and net worth

figures:

<u>A S S E T S</u>		
Franchises	\$281,922.39	
Organization	18,483.58	
Land	83,916.66	
Buildings and improvements.....	77,295.24	
Machinery and equipment	13,725.01	
Passenger and service cars.....	7,254.81	
Revenue trucks and trailers.....	477,815.08	
Furniture and fixtures.....	22,163.69	
Work in progress.....	5,297.44	
Sub-total.....		\$ 987,873.90
Investments.....		750.00
Investment in Boulevard Freight Forwarding & Distributing Company.....		50,000.00
Cash		26,666.98
Accounts receivable		43,007.83
Accounts receivable; inter-company		273,861.75
Prepayments		49,375.78
TOTAL ASSETS.....		<u>\$ 1,431,536.24</u>
<u>L I A B I L I T I E S</u>		
Mortgages	\$ 50,400.00	
Accruals	51,989.04	
Accounts payable	9,049.11	
Accounts payable; inter-company.....	226,229.73	
Contracts payable	5,806.01	
City paving bonds	6,321.78	
C.O.D.'s payable.....	7,964.06	
Other liabilities.....	290.15	
Sub-total.....		\$ 358,049.88
Reserves		406,224.53
Total.....		<u>\$ 764,274.41</u>
<u>N E T W O R T H</u>		
Capital stock.....	\$252,567.93	
Surplus	414,693.90	
Total.....		\$ 667,261.83
Total liabilities and net worth.....		<u>\$ 1,431,536.24</u>

While it is true that the foregoing consolidated balance sheet shows a net worth of the properties, as reflected by the books of account, of \$667,261.83, an analysis indicates that there are, in our opinion, several questionable asset items, used in arriving at such figure. Under the item of franchises a total of \$281,922.39 is reported and under organization a total of \$18,483.58. These amounts appear on the books of the several companies as follows:

FRANCHISES

San Joaquin Valley Transportation Company.....	\$19,525.15
Imperial Valley-Los Angeles Express.....	8,176.88
Boulevard Express, Inc	244,720.36
Pacific Freight Lines Company.....	9,500.00
Total.....	<u>\$281,922.39</u>

ORGANIZATION

Pacific Freight Lines Company	<u>\$ 18,483.58</u>
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The Commission, heretofore, by Decision No. 20975, dated April 17, 1929, in authorizing San Joaquin Valley Transportation Company to issue stock, used as a basis in determining the amount to be issued, the sum of \$19,275.15 for operative rights. In Decision No. 16335, dated March 30, 1926, the Commission authorized Imperial Valley-Los Angeles Express to issue stock in payment for properties, including operative rights carried at \$8,076.88. In connection with the operative rights of Boulevard Express, Inc. it appears that they were acquired by the corporation from Chas. D. Boynton under authority granted by Decision No. 11394, dated December 23, 1922, and were set up on the books of account at \$1,500.00. Subsequently thereto, according to the testimony herein and to financial reports filed by the company, this amount was increased by the sum of \$243,220.36, through credits to surplus.

For Pacific Freight Lines Company the sum of \$9,500.00 is set up for operative rights of its southern division and \$18,483.58 for organization expenses, the two items aggregating \$27,983.58. The rights in question were acquired by the company under authority granted by the Commission by Decision No. 22616, dated July 1, 1930, Decision No. 22646, dated July 9, 1930, and Decision No. 22647, dated July 9, 1930. Those decisions permitted Pacific Freight Lines Company to issue stock in payment for physical properties. At that time no showing was made of the cost or value of the operative rights,

nor did the Commission's decisions make a finding of such cost or value, or permit the capitalization of the rights through the issue of stock. The decisions did permit the issue of \$27,400.00 of stock to pay organization costs and to provide working capital.

The examination of the financial reports further shows that the land account of Boulevard Express, Inc., originally carried at \$28,740.04 was increased during 1930 by the sum of \$12,259.96 to reflect an estimated appreciation in value, the amount being credited to surplus. The testimony of C. G. Anthony, president of Boulevard Express, Inc., indicates that no value attaches to the \$50,000.00 asset item carried by the company in its balance sheet as investment in Boulevard Freight Forwarding and Distributing Company.

We do not believe that we can use the reported total net worth of \$667,261.83 as a basis for an order authorizing the issue of stock. No information has been furnished the Commission in this proceeding as to the cost of the operative rights here involved in addition to that heretofore submitted in former matters, nor is there anything in the record bearing upon the reasonableness of the additions to franchise and land accounts of Boulevard Express, Inc. because of estimated appreciation in values. It therefore appears to us that there should be deducted from the \$667,261.83 the sum of \$314,980.32 representing the \$243,220.36 write up in the franchise account of Boulevard Express, Inc.; the \$50,000.00 investment in Boulevard Freight Forwarding and Distributing Company; the \$12,259.96 reported appreciated land value, and the \$9,500.00 set up for operative rights of Pacific Freight Lines Company. These amounts should not be carried forward to the books of Motor Freight Terminal Company upon the purchase by it of the aforesaid properties.

Richard Hartz, Comptroller of applicants, testified that steps would be taken forthwith to correct the accounting irregularities to which the Commission has heretofore directed applicant's attention. The record shows that Motor Freight Terminal Company will keep complete accounting records and that to examine the results of its operation it will not be necessary to have to resort to the books of any other corporation. This company, as all other transportation companies having gross operating revenues of more than \$20,000.00 per annum, is required to keep its accounts as ordered and directed by Decision No. 9837 dated December 5, 1921.

The order herein will authorize the transfer as prayed for and the issue by the purchaser of \$352,300.00 of stock. In making this order we wish again 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 their purely permissive aspect they give to the holder a complete or partial monopoly of a class of business over a particular route. This monopoly feature can be changed or destroyed at any time by the state which is not in any respect limited in the number of rights which may be given.

PRELIMINARY ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer of operative rights and properties, the consolidation of such rights and the issue of an in lieu certificate of public convenience and necessity, and the issue of stock, public hearings having been held and the Railroad Commission believing that it should at this time authorize the transfer of properties and rights and the issue of \$352,300.00 of stock, and being

of the opinion that the money, property or labor to be procured or paid for through the issue of such stock is reasonably required for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED, that San Joaquin Valley Transportation Company, Imperial Valley-Los Angeles Express, Los Angeles-San Pedro Transportation Company, Inc., Boulevard Express, Inc., and Pacific Freight Lines Company be, and they hereby are, authorized to transfer to Motor Freight Terminal Company the operative rights referred to and described in Exhibit One attached hereto and made a part hereof; and the businesses, assets and properties mentioned in this application and more particularly described in Exhibits 8, 9, 10, 11 and 12 filed in this proceeding.

IT IS HEREBY FURTHER ORDERED, that Motor Freight Terminal Company be, and it hereby is, authorized to purchase and acquire said operative rights, businesses, assets and properties and in consideration therefor, to issue not exceeding \$352,300.00 of common capital stock at par, and to assume the payment of outstanding indebtedness of not exceeding \$358,049.88.

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

1. San Joaquin Valley Transportation Company, Imperial Valley-Los Angeles Express, Boulevard Express, Inc., Los Angeles-San Pedro Transportation Company, Inc., and Pacific Freight Lines Company, as sellers, shall, within thirty (30) days from the date of the transfer of the operative rights as herein authorized, cancel tariffs and time schedules on file in their names with the Railroad Commission, covering service under the rights herein auth-

orized to be transferred, and Motor Freight Terminal Company, the purchaser, shall file in its own name tariffs and time schedules, said time schedules and tariffs to contain the same rates, rules and regulations now maintained by said sellers, or rates and time schedules satisfactory to the Railroad Commission.

2. 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.
3. 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.
4. No vehicle may be operated by applicant Motor Freight Terminal Company unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.
5. The authority herein granted to applicants does not include any authority to consolidate or unite or merge the rights herein transferred, or any of them, with any other rights, and that each and all of said rights remain unchanged until changed by further order of the Commission.
6. Motor Freight Terminal Company 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, on or before thirty(30) days after such issue 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.

7. Motor Freight Terminal Company shall file with the Railroad Commission for approval, a copy of each and every journal entry used to record on its books the acquisition of properties of the selling companies.
8. The authority herein granted will become effective fifteen (15) days from the date hereof.

DATED at San Francisco, California, this 19th day of October, 1931.

Leon C. White

M. J. Carr

M. B. Lewis

Frederic G. Stewart

Commissioners.

EXHIBIT ONE

OPERATIVE RIGHTS TO BE TRANSFERRED TO MOTOR FREIGHT
TERMINAL COMPANY
by

San Joaquin Valley Transportation Company
Imperial Valley-Los Angeles Express
Los Angeles-San Pedro Transportation Company, Inc.
Boulevard Express, Inc.
Pacific Freight Lines Company.

A. SAN JOAQUIN VALLEY TRANSPORTATION COMPANY.

1. Decision No. 20975, dated April 17, 1929, in Application No. 15482
This decision authorized the transfer to San Joaquin Valley Transportation Company of the operative rights theretofore owned by F. M. Hodge, John D. Kwis and H. A. Rose. These rights first were established by F. M. Hodge, L. E. Mershon, and H. A. Rose, by Decision No. 9460, dated September 3, 1921, in Application No. 6217 and permitted the operation of an automobile freight truck service between Los Angeles and that portion of the City of Bakersfield lying beyond a radius of 12 blocks from the present Bakersfield terminal of George M. Duntley, doing business under the fictitious name of Los Angeles and Bakersfield Fast Freight Truck Line; also between Los Angeles, and Jewetta, Lerdo, Famoso, McFarland, Delano, Richgrove, Orris, Ducor, Terra Bella, Plano, Porterville, Strathmore, Lindsay, Exeter, Farmersville, Visalia, Tulare, Goshen, Traver, Kingsburg, Selma, Winedale, Fowler, Calwa City and Fresno, for the common carriage of property; and to operate automobile freight truck service for the common carriage of property in truck loads at two-thirds of the rates per hundred pounds quoted in Exhibit "A", attached to the above application, between Los Angeles and the territory above described, and also a zone extending five miles on each side of the highway traversed on the route by which the above named towns are served and five miles on each side of the said 12 block radius from the said Duntley terminal in Bakersfield. Public convenience and necessity did not require operation of either of said services between Los Angeles and that portion of Bakersfield within said 12 block radius from said Duntley's Bakersfield terminal, nor do they require any local service between Fresno and Fowler, Selma, Kingsburg, Traver, Goshen, Goshen Junction, Visalia and Tulare, or between any of said points.

Nothing was contained in the decision to prevent the transportation of property between points on the route between Fresno and Visalia or Tulare and points hereinabove named on said route lying southerly or easterly from Visalia or Tulare. Later by Decision No. 22354, dated April 22, 1930, the restriction against the operations within twelve blocks of the depot of G.M. Duntley was removed.

By Decision No. 13855, dated July 28, 1924, in Application No. 9563, a re-routing was approved of the above service between Fresno and Los Angeles by permitting loaded trucks to operate over the state highway between Tulare and Delano providing same contain only dairy products and poultry originating or destined to Tulare or north of Tulare or Delano or south of Delano and that no service be given to intermediate points along the state highway, or on either

side thereof, between Tulare and Delano, and that a certificate therefore be granted.

The interest of L. E. Mershon later was transferred to John D. Kwis under authority granted by Decision No. 15642, dated Nov. 14, 1925, in Application No. 11901. Thereafter Hodge, Kwis and Rose by Decision No. 16079, dated March 4, 1926 in Application No. 10665 obtained a certificate permitting them to operate a truck service as an extension and enlargement of the service maintained by them between Los Angeles and Fresno, and points intermediate, from Goshen Junction to Riverdale, serving Riverdale only without intermediates, for the transportation of milk and other creamery products only between Page and Tipton and Los Angeles, and for the routing of loaded trucks, regardless of commodity, between Tulare and Delano whenever such shipments originate in or are destined to points north of Tulare or south of Delano, over and along the following route:-

"Between Riverdale and Goshen Junction via Elm Avenue, south on Elm Avenue through Hub to junction of Hanford-Elm Avenue highway, thence east to Plaza Junction of State Highway connecting with main route of applicants herein."

2. Decision No. 23923, dated August 4, 1931 in Application No. 17561.

This decision gave San Joaquin Valley Transportation Company the right to operate between Los Angeles and Bakersfield at its option over Weldon Canyon Cut-off such of its through trucks as are not required to transport freight to or from Newhall or Saugus or other points intermediate to a point north of San Fernando where Weldon Cut-off begins and a point near Castaic, where said Weldon Cut-off joins the road leading to Saugus and Newhall, provided that in the operation over said Cut-off no service shall be given to any points on said Cut-off, and provided further that by said divergence the points now served under its certificate and tariff shall not be deprived of any required service.

B. IMPERIAL VALLEY-LOS ANGELES EXPRESS.

1. Decision No. 16335, dated March 30, 1926, in Application No. 12329

By this decision Imperial Valley-Los Angeles Express acquired from F. M. Hodge and J. D. Kwis the operative rights established by them by Decision No. 14291, dated November 25, 1924, in Application No. 9630 permitting express and freight service over and along the following route:-

From Los Angeles via El Monte-Pomona highway to Ontario; thence via Valley Boulevard via Bloomington and Colton to Redlands; thence over the State Highway via Banning and Coachella to Westmoreland, Brawley, Imperial, El Centro and Calexico, and via the El Centro-Holtville highway from El Centro to Holtville and within five(5) miles on either side of said route between Westmoreland and Calexico and between El Centro and Holtville only.

2. Decision No. 17283, dated August 8, 1926 in Application No. 11863.

This decision granted to the corporation a certificate as an extension of and in connection with the authorized service under Decision No. 14291, above, which extension includes the following:-

1. The inclusion of Kane Springs, Fish Springs and Oasis, and all points within five miles of the route traversed, said three points now being on the route traversed by applicants under said Decision No. 14291;

2. An extension to serve Calipatria, including all points within five miles on each side of said extension, with a minimum of 10,000 pounds;

3. An extension to include Los Angeles via Pasadena over the Foothill Boulevard and all points within five miles on each side of the highway traversed, serving all intermediate points, with point of origin or destination of every shipment either Oasis or points east thereof served by applicants in the Imperial Valley, with minimum loads of 10,000 pounds, with the exception of dairy products, i.e. butter, eggs and cream, which will carry a minimum of 4,000 pounds. Provided, however, that the western terminus of this proposed extension is Los Angeles, and not Los Angeles Harbor;

4. An extension to include Los Angeles Harbor over the following routes:

(a) Present route, which passes through Beaumont, Redlands, Colton, Ontario, Pomona and Los Angeles;

(b) Santa Ana Canyon Road, which shall be via Beaumont, Redlands, Riverside, Corona, Orange, Anaheim and west to Los Angeles Harbor;

(c) Cut-off from existing route south of Puente through Whittier and Downey to Los Angeles Harbor.

Provided, that the above three routes to the Los Angeles Harbor shall cover territory five (5) miles on each side of the highway traversed, serving all intermediate points, with point of origin or destination of every shipment either Oasis or points east thereof served by applicants in the Imperial Valley, with minimum loads of 10,000 pounds, with the exception of dairy products, i.e. butter, eggs and cream, which will carry a minimum of 4,000 pounds.

C. LOS ANGELES-SAN PEDRO TRANSPORTATION COMPANY, INC.

1. Decision No. 6679, dated Sept. 16, 1919, in Application No. 4219.

This decision granted Los Angeles-San Pedro Transportation Company, Inc. a certificate to operate an automobile truck line as a common carrier of freight and passengers between Los Angeles City (business section) and Los Angeles City (harbor section) and intermediate points.

2. Decision No. 18070, March 14, 1927, in Application No. 13560.

This decision permitted Los Angeles-San Pedro Transportation Company, Inc. to acquire from J.O. Ernst the operative right between Los Angeles and San Pedro and Wilmington, and between Long Beach and the same points for the transportation of drugs, drug sundries, bicycles and motorcycles and their accessories and supplies, and the return of empty containers, which right had been established by J.O. Ernst under authority granted by Decision No. 16085 dated March 8, 1926, in Application No. 12082.

D. BOULEVARD EXPRESS, INC.

1. Decision No. 11394, dated December 23, 1922, in Application No. 8156.

This decision permitted Boulevard Express, Inc. to acquire from Chas. D. Boynton the operative right established by said Boynton by Decision No. 6588, dated August 16, 1919, in Application No. 4754, permitting the operation of an automotive truck line as a common carrier of express and freight between Los Angeles and San Diego serving as intermediate points the city of Vernon and the military reser-

vation at Camp Kearny; also receiving perishable freight and express in the agricultural communities between San Diego and Carlsbad, no authority being hereby conveyed for the transaction of local business at any other point along the route herein authorized.

2. Decision No. 12357, dated July 13, 1923, in Application No. 5658

This decision permitted the operation by Boulevard Express, Inc. a corporation, of an automobile truck service as a common carrier of northbound freight and express between San Diego and all points intermediate to and between Oceanside and Los Angeles, neither inclusive, including Serra, San Juan Capistrano, Irvine, Tustin, Santa Ana, Anaheim, Buena Park, Norwalk; also northbound freight and express between Del Mar, Cardiff, Encinitas, Carlsbad, Oceanside and all points between Serra and Los Angeles, both inclusive; and as a common carrier of southbound freight and express between Los Angeles and all points between San Juan Capistrano and Del Mar, both inclusive; also southbound freight and express between all points between Norwalk and Irvine, both inclusive, and all points between San Juan Capistrano and San Diego, both inclusive.

E. PACIFIC FREIGHT LINES COMPANY.

1. Decision No. 22647, dated July 9, 1930, in Application No. 16596

This decision permitted Pacific Freight Lines Company to acquire from P. E. Green, H. S. Green, J. C. Smith and C. A. Foletta, co-partners doing business in the name of San Bernardino Transportation Company, operative rights established as follows:

PRIOR. C.R.C. No. 1 of C.W.Viall filed June 26, 1922, with affidavit of Viall dated August 14, 1922, that service was in operation prior to May 1, 1917. Freight between Los Angeles and San Bernardino with no intermediates.

Route set forth in C.R.C. No. 1 is:

".....via Third Street, Alameda Street, Main Street, Mission Road, Los Angeles; thence via Diagonal Road to Rialto; thence via Rialto Avenue to San Bernardino; thence on Mt. Vernon and Third Street in San Bernardino;"

Decision No. 13428 of April 18, 1924, in Application No. 9901 authorized Viall to transfer to Bert Tillett;

Decision No. 20307 of October 9, 1928, in Application No. 15063 authorized Tillett to transfer to Green, Green, Smith & Foletta.

2. Decision No. 23472, dated March 9, 1931, in Application No. 16873

By this decision Pacific Freight Lines Company was granted a certificate between Los Angeles, Ventura and Ojai over three routes in lieu of the operative rights acquired under Decisions Nos. 22616, dated July 1, 1930, and 22646, dated July 9, 1930, in Applications Nos. 16562 and 16595, respectively, for the operation of an automobile freight service as a common carrier of freight between Los Angeles and Oxnard, Ventura and Ojai and intermediate points, including Calabasas, Newbury Park, Santa Susana, Simi, Moorpark, Somis, Camarillo El Rio, Montalvo, Hueneme, Silver Strand, Hollywood-by-the-Sea, Hollywood Beach and Mandalay Beach. The routes herein authorized are via Ventura Boulevard, Santa Susana Boulevard, and via Santa Monica and State Highway No. 60-A, otherwise known as the New Malibu road; provided, however, that no local business be transacted between Los Angeles and the north city limits of the City of Santa Monica in connection with any operation conducted from Los Angeles via Santa Monica and State Highway No. 60-A, otherwise known as the New Malibu Road.

"The rights and privileges for operation of an auto truck line for the transportation of freight between Los Angeles and Oxnard, Ventura and Ojai and intermediate points are in lieu of those heretofore authorized transferred to applicant by the provisions of Decision No. 22616, on Application No. 16562, as decided July 1, 1930, and Decision No. 22646, on Application No. 16595, as decided July 9, 1930."