## Decision No. 25335.

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Edward H. Marxen, Trustee of the Estate of H.C. Greve doing business under the fictitious firm name and style of H.C. Greve Livestock Transportation Company, Bankrupt, to sell and I.J. Nathan to purchase an automotive freight line operated between various points in the State of California, for the transportation of livestock.

Application No. 18493.

BY THE COMMISSION:

## OPINION and ORDER

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Edward H. Marxen, trustee of the Estate of H.C. Greve, bankrupt, has petitioned the Railroad Commission for an order approving the sale and transfer by said trustee to I.J. Nathan of an operating right for an automotive service for the transportation of property between Los Angeles Union Stock Yards and various points in Southern California and I.J. Nathan has petitioned 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, a copy of which, marked Exhibit "A", is attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$2500.00. No separation of the value of the certificated rights is given. The equipment to be transferred includes one truck, one tractor, three trailers, three truck bodies and shop supplies and tools.

The operating right herein proposed to be transferred was created by Decision No. 15953, dated February 8, 1926, on Application No. 12197. This operating right was possessed by H.C. Greve, who was adjudged bankrupt on August 4, 1932 by the District Court of the United States, Southern District of California,

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Central Division, and applicant Edward H. Marxen was appointed trustee. On October 21, 1932, the sale of the personal property of Greve, including the operating right, to I.J. Nathan, an experienced operator, was for cash. The trustee has continued the operation of the business.

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.

I.J. Nathan 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.

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 Edward H. Marxen, trustee of the Estate of H.C. Greve, shall immediately unite with applicant I.J. Nathan in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Edward H. Marxen, trustee on the one hand withdrawing, and applicant I.J. Nathan on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant Edward H. Marxen, trustee of the Estate of H.C. Greve shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant I.J. Nathan shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant E.H. Marxen which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant E.H. Marxen 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 I.J. Nathan 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 <u>yth</u> day of <u>Movember</u> 1932.

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