

**ORIGINAL**

Decision No. 25792

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
H. BAY WEBSTER and M. L. WEBSTER,  
co-partners, doing business under  
the firm name and style of WEBSTER  
TRANSPORTATION COMPANY, for authority  
to sell and transfer, and CITIZENS  
TRANSIT COMPANY, a corporation, to  
purchase and acquire, the business  
of, and all of the assets, equipment  
and property used and useful in the  
operation of said business by the  
former.

Application No. 18718

Lewis & Argabrite, by Joseph Argabrite,  
for applicants.

BY THE COMMISSION:

O P I N I O N

This is an application for an order by the Commission authorizing H. Bay Webster and M. L. Webster to sell and transfer certain auto stage rights and properties to Citizens Transit Company, a corporation, and authorizing Citizens Transit Company to issue 7,997 shares of its common capital stock of the aggregate par value of \$7,997.00.

It appears that H. Bay Webster and M. L. Webster, doing business under the firm name and style of Webster Transportation Company, are engaged in the business of operating auto stages chiefly for the transportation of passengers in and about Ventura. The operating rights, herein proposed to be transferred, permitting the service were established by Decision No. 25010, dated August 1, 1932, in Application No. 18142, and authorized the operation of an automotive stage service as a common carrier of passengers over the following route:

From the intersection of Catalina Street and Thompson Boulevard, in the City of San Buena Ventura, north on Catalina Street to Main Street, west on Main Street to Ventura Avenue and north on Ventura Avenue to the intersection of Vince Street, a point two-tenths of a mile north of the north city limits of the City of San Buena Ventura, returning by the reverse of the above described route.

The assets and liabilities of the Webster Transportation Company as of February 1, 1933, are reported in Exhibit "A" attached to the application as follows:

ASSETS

Real estate and improvements.....	\$10,000.00
Rolling stock.....	4,500.00*
Machinery and tools.....	314.00
Cash.....	76.04
Accounts receivable.....	<u>459.00</u>
 Total assets.....	 <u>\$15,349.04</u>

LIABILITIES

Bills payable.....	\$ 209.42
Taxes.....	<u>1,026.82</u>
Total liabilities.....	\$ 1,236.24
Net worth.....	<u>14,112.80</u>
 Total liabilities and net worth.....	 <u>\$15,349.04</u>

\* Appraised present value of five stages.

The application shows that H. Bay Webster and M. L. Webster have agreed to sell and transfer to Citizens Transit Company, a corporation, and Citizens Transit Company has agreed to purchase and acquire the bus lines and transit business of, and all of the assets, equipment and property used and useful in the operation of said bus lines, aggregating \$15,349.04, in consideration of 7,997 shares (\$7,997.00 par value) of the capital stock of the corporation, and the assumption by the purchaser of the liabilities, amounting to \$1,236.24 on February 1, 1933, of Webster Transportation Company.

H. R. Robbins, an assistant engineer for the Commission, has made an examination of applicants' real estate and has valued it and the improvements thereon at \$6,500.00. Even though such value be accepted, there remains a net investment in excess of the amount of stock which Citizens Transit Company desires to issue. In view of this situation, we do not feel it necessary at this time to make final determination of the value of the real estate and improvements.

We desire to place the purchaser upon notice that operating rights do not constitute 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.

#### ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer of certain properties by E. Bay Webster and M. L. Webster, and the issue of 7,997 shares of stock by Citizens Transit Company, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary, 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 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,

1. E. Bay Webster and M. L. Webster, doing business under

the firm name and style of Webster Transportation Company, may transfer to Citizens Transit Company, a corporation, the operative rights and properties referred to in the foregoing opinion, subject to outstanding liabilities of approximately \$1,300.00; and

2. Citizens Transit Company may acquire the operative rights and properties herein authorized to be transferred, and in payment therefor may issue \$7,997.00 par value of its common capital stock and assume the payment of approximately \$1,300.00 of liabilities.

The authority herein granted is subject to the following conditions:

1. E. Bay Webster and M. L. Webster and Citizens Transit Company shall unite immediately in common supplement, to be filed in triplicate, to the tariffs on file with the Commission covering operations under the operative right to be transferred, E. Bay Webster and M. L. Webster on the one hand withdrawing and Citizens Transit Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.

2. E. Bay Webster and M. L. Webster shall withdraw immediately time schedules filed in their names with the Railroad Commission covering their service under the operative right herein authorized to be transferred, and Citizens Transit Company shall file, in duplicate, in its own name time schedules covering such service, which schedules shall be identical to the schedules now on file with the Commission, or time schedules satisfactory to the Commission.

3. The rights and privileges herein authorized to be transferred may not hereafter be sold, leased, transferred nor assigned, nor service thereunder discontinued, decreased or changed, unless the written consent of the Railroad Commission is first secured.

4. No vehicle may be operated by Citizens Transit Company under the authority herein granted, 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.

5. Citizens Transit Company shall keep such record of the issue of the stock herein authorized as will enable it to file within thirty (30) 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.

6. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 3rd day of April, 1933.

Chas. Seaman  
Leon Whitney  
W. G. Linn  
W. B. Linn  
W. H. Linn  
Commissioners.