

Decision No. 10353

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of)
 JOE BOZOFF for an order granting per-)
 mission to sell and transfer all his)
 right, title and interest, including)
 certain equipment, in auto truck milk)
 route operated between dairy ranches)
 located in vicinity of Strawberry)
 Park, Gardena and Moneta and Los Angel-)
 es, to HARRY H. MOUMJIAN and ANE-)
 GRIOS VASILIOS, co-partners)
 and)
 application of HARRY H. MOUMJIAN and)
 AREGRIOS VASILIOS for an order grant-)
 ing permission to purchase such auto)
 truck milk route.)

Application No. 7476

Frank R. Carrell, for Applicants.

BY THE COMMISSION:

O P I N I O N

Joe Bozoff has applied to the Railroad Commission for permission to transfer to H.H. Moumjian and A. Vasilios his operating right and equipment for an auto truck milk carrying route between dairy ranches in the vicinity of Strawberry Park, Gardena and Moneta, Los Angeles County and creameries in the City of Los Angeles. The purchasers join in the application. The operating right sought to be transferred is that fixed in applicant Bozoff by Decision No. 9177.

Public hearings were held by Examiner Williams at Los Angeles.

At the first hearing applicant Bozoff's counsel advised that there existed disagreement between the parties

over the interpretation of the contract of sale and the application was put off calendar. Subsequently by stipulation of the contracting parties, it was restored and heard. The agreement then presented called for the payment of \$7000.00 for the business, of which \$500.00 was for the value of the operating right, \$5000.00 for a Mack 2½-ton truck with special body and equipment, and \$1500.00 for a two-ton trailer also with special body.

The hearing developed that the agreement did not include passing of title to the operating right until the contract of purchase had been fully discharged by purchasers and was in effect a conditional sale in which the Commission was asked to become a mere escrow agent of the parties for a period of two years or more. Applicant Bozoff insisted that he would part with no part of the title to the operating right until the whole purchase price had been paid to him. Upon such a showing the matter was submitted.

Subsequently the parties filed with the Commission a stipulation that a new contract between them be substituted for the previous one. This new contract calls for the payment of \$2500.00 cash and \$4500.00 in notes of \$300.00 each, payable monthly at 7% interest. It is a direct sale, giving the purchasers full title to the operating right and thus, if approved, putting them and their operations under control of this Commission. The purchase price of the equipment is certainly all it is worth though the value placed on the operating right is not high. The burden put on the purchasers is heavy, but it was testified that the route is a busy one, paying from \$500.00 to \$600.00 a month and applicant Bozoff is to deliver the equipment free and clear of any obligation to the

purchasers. Applicants, the purchasers, were warned that the rates now collected for milk transportation might at any time be changed, but they gave assurance that they well understood this and were able to financially and otherwise continue efficient operation.

Sufficient scrutiny of this transaction justifies the conclusion that, while the purchasers may be paying over value for equipment, and by this method paying a larger value for the operating right than stated, the public interest will not be disturbed as the purchasers are competent to maintain the service.

ORDER

IT IS HEREBY ORDERED that application herein of Joe Bozoff to sell and Harry E. Mounjian and Agregrios Vasilios to purchase the operating right of Joe Bozoff as fixed in Decision No. 9177 of this Commission, be and the same hereby is granted, under the following conditions:

- I - That the amount paid for the purchase of the property shall not be considered as a measure of value of said property before this Commission, or any other authority, for rate fixing or any purpose other than the transfer herein referred to.
- II - That the applicant, Joe Bozoff, will be required to immediately cancel all tariffs and time schedules now on file with the Railroad Commission, such cancellation to be in accordance with the provisions of General Order No. 51 and other regulations of the Railroad Commission.
- III- That applicants, Harry E. Mounjian and Agregrios Vasilios, co-partners, will be required to immediately file tariffs and time schedules in their own names, or to adopt as their own the tariff and time schedule heretofore filed with the Railroad Commission by applicant, Joe Bozoff, all fares to be identical with those filed by applicant, Joe Bozoff.

- IV - The rights and privileges of transfer which are hereby authorized, may not be discontinued, sold, leased, transferred nor assigned, unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.
- V - No vehicle may be operated by the applicants, Harry E. Mounjian and Gregorios Vasilios, co-partners, unless such vehicle is owned by them or is leased by them for a specified amount on a trip or term basis, the leasing of equipment not to include the services of a driver or operator. All employment of drivers or operators of leased cars shall be made on the basis of a contract by which the driver or operator shall bear the relation of an employee to the transportation Company.

Dated at San Francisco, California, this 25th
day of April, 1922.

James M. Martin
Charles J. Connel
W. P. Benedict
Commissioners.