

Decision No. 10750

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of THOMAS SEAVES and C. R. SPICKARD for the approval of two certain agreements to transfer the former's interests in the Placer Auto Stage Company in the franchise for operating an auto stage between Sacramento and Auburn, California, and in the Star Auto Stage Association or the Star Auto Stage Company, now known as the California Transit Company.

Application No. 7659.

ORIGINAL

Harry A. Encell, by James A. Miller,  
for Applicants.

BY THE COMMISSION.

OPINION

A public hearing was held by Examiner Westover at Sacramento upon the above entitled application for authority to transfer equipment and operative rights of an automotive stage line operated between Sacramento and Auburn, and between Auburn and Nevada City.

The operative rights between Auburn and Nevada City are those originally granted by Decision No. 7747 of June 19, 1920, upon Application No. 5298, said line having been operated under the fictitious name of Placer Auto Stage Company.

The operative rights between Sacramento and Auburn are those referred to in Decision No. 7712 of June 16, 1920, in which the Commission determined by its First Supplemental Opinion in Case No. 1202 that the Star Auto Stage Association, as such, was the transportation company then operating said

route with others, and that the Association, and not its individual members, was amenable to the orders of the Commission. Thereafter, by Decision No. 7795 of June 24, 1920, the Commission authorized the transfer by Star Auto Stage Association of certain operative rights, including the one above described, which it authorized to be transferred to C. J. McFall and Thomas Shaves, co-partners, under the name of McFall and Shaves. This decision and order was entered in Application No. 5162, in which application Messrs. McFall and Shaves joined with a number of other applicants.

Mr. Shaves now wishes to transfer his undivided one-half interest to Mr. Spickard, who, it is understood, will form a partnership with Mr. McFall and continue the operation.

The parties appear to have agreed upon a purchase price of \$3500.00 for the undivided half interest in the rights and equipment used in the Auburn-Nevada City line, and \$7000.00 for the undivided one-half interest in the rights and equipment used in the Sacramento-Auburn line. The application contains an exhibit in which the equipment is valued at \$5500.00; the expense for obtaining operative rights between Auburn and Nevada City at \$950.00; membership rights in the Star Auto Stage Association \$2500.00; and good-will \$1550.00, making a total of \$10,500.00, which equals the total of the agreed purchase price for the interest in the two lines. Attention is called to the fact that the Star Auto Stage Association long since ceased functioning as such and conveyed its property to the Star Auto Stage Company, a corporation, so that the so-called rights cannot be considered of value, and no testimony was presented tending to show the value, if any, attached to the good-will of the business. It is also proper to call attention to the fact that the Commission does not allow as part of the rate base in a rate proceeding anything for

operative rights in addition to the amount actually paid to originally procure the rights. The Commission does not herein pass upon the value of any of the property which is sought to be transferred.

Mr. Spickard is an experienced operator, and it appears will serve the public as well as Mr. Shaves, who wishes to retire from the business.

#### O R D E R

A public hearing having been held upon the above entitled application, the matter being submitted and now ready for decision,

IT IS HEREBY ORDERED that Thomas Shaves be and he is hereby authorized and empowered to transfer to C. R. Spickard his undivided interest in and to all of the property of the partnership heretofore existing between Thomas Shaves and C. J. McFall, used in connection with the operation of a stage line between Sacramento and Auburn, and a stage line between Auburn and Nevada City, including an undivided interest in the rights of said partnership to operate said stage line.

PROVIDED, however, that nothing herein contained shall be construed as enlarging or increasing or dividing the operative rights above referred to, it being distinctly understood that said rights are indivisible.

(1) Nothing herein contained shall be construed as a finding of value of any of the property herein authorized to be transferred, except for the purposes of this order.

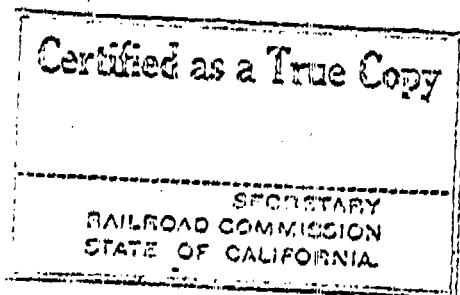
(2) Said Shaves and McFall shall immediately cancel all tariffs and time schedules relating to said routes, which are on file with the Railroad Commission, and the new firm of C. J. McFall and C. R. Spickard shall immediately file tariffs and

time schedules in its own name.

3. The rights and privileges hereby authorized to be transferred shall not again be sold, leased, transferred, or assigned, nor shall operation thereunder be discontinued without the previous written consent of the Railroad Commission.

4. No vehicle may be operated in the service hereinabove described unless such vehicle is owned by the owners of said operative rights, or is leased by such owners for a specified amount for a trip or a specific term. The leasing of equipment shall not include the services of a driver or operator. All employment of drivers or operators of leased cars shall be under contract by which the driver or operator shall bear the relation of an employe to the transportation company.

Dated at San Francisco, California, this 21<sup>st</sup> day of July, 1922.



H. B. Brundage  
Harry Martin  
Charles H. Russell  
J. J. Tamm

Commissioners.