

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of R. H. Gaud and the Santa
Barbara and Suburban Railway Com-
pany for an order authorizing sale
and transfer of a franchise for a
street railway in the City of
Santa Barbara, California.

ORIGINAL

Application No. 249.

Harvey J. Bauer, for Applicant.

LOVELAND, Commissioner.

O P I N I O N.

This is an application made under Section 51 (a)
of the Public Utilities Act by the Santa Barbara and Suburban
Railway Company for permission to purchase and accept transfer
of and by R. H. Gaud for permission to sell and transfer a cer-
tain franchise to construct, equip, and operate an electric street
railway in the City of Santa Barbara, California, said franchise
having been heretofore, to wit: on July 18, 1912, granted to said
R. H. Gaud by the City Council of said City of Santa Barbara, for
the sum of \$250.00. It appearing from the testimony that said R.
H. Gaud procured said franchise for said Santa Barbara and Subur-
ban Railway Company, and that said Santa Barbara and Suburban Rail-
way Company is in condition financially to build, equip and operate
the street railway, permission for the construction, equipment and
operation of which is granted by said franchise, and that said R. H.
Gaud is not in condition financially to exercise said franchise
rights, and it appearing further:

That the interests of the public will best be served by
granting permission to said R. H. Gaud to sell and transfer said
franchise to said Santa Barbara and Suburban Railway Company and by
permitting said Santa Barbara and Suburban Railway Company to pur-
chase said franchise, I find that public convenience and necessity
require and will require the granting of this application.

The pleadings do not show what the consideration for the transfer of the franchise from R. E. Gaud to the Santa Barbara and Suburban Railway Company is, but it developed at the hearing that the transfer of \$500,000.00 worth of stock by the Santa Barbara and Suburban Railway Company to R. E. Gaud was regarded as the consideration for the transfer of the franchise from said Gaud to said railway company.

I therefore submit the following Order:

O R D E R.

R. E. Gaud having filed with the Commission an application for permission to sell and transfer to the Santa Barbara and Suburban Railway Company, and the Santa Barbara and Suburban Railway Company having filed with the Commission its application for permission to buy and accept transfer from said R. E. Gaud for a certain franchise granted to said R. E. Gaud on July 18, 1912, by the City of Santa Barbara, California, and a public hearing having been held on said application, and it appearing that public convenience and necessity will be served by said sale and purchase of said franchise,

IT IS HEREBY ORDERED, that said application be and the same is hereby granted, but it is especially understood and made a part of this Opinion and Order that any value which the stock of the Santa Barbara and Suburban Railway Company, given to said Gaud as the consideration for the transfer of this franchise by said Gaud to said Santa Barbara and Suburban Railway Company, has now or may hereafter have shall not be binding upon this Commission or any other rate fixing body to be considered in the fixing of rates.

The foregoing opinion and order are hereby approved and ordered filed as the decision of the Railroad Commission of the State

of California.

Dated at San Francisco, California, this 29th
day of October, 1912.

John M. Eastman
H. L. ...
Richard Gordon
Max Thelen
Commissioners.