

ORIGINAL

Decision No. 6381.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
Plaza Stages, Inc., for consent
to the transfer of permit heretofore
issued to Plaza Stages, a co-partner-
ship.

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) Application No. 4525.

J. M. Chatterton for Applicant.

H. J. Bischoff for United Stages, Inc.

BY THE COMMISSION

O R D E R

Plaza Stages, Inc., a corporation, have applied to the Commission for consent to the change of ownership of the certificate heretofore granted to Plaza Stages, a co-partnership, consisting of R. S. Anthony and J. S. Bothwell, this Commission having under its Decisions Nos. 4896 and 4953 granted a certificate of public convenience and necessity and local permits, as required by Section 3 of Chapter 213, Laws of 1917, having been granted to said Plaza Stages, a co-partnership, as required by such statutory enactment.

A public hearing on this application was conducted by Examiner Handford at San Diego on April 29, 1919, the matter was duly submitted and is now ready for decision.

The co-partnership above named has assigned and transferred all of its rights, privileges, franchises and permits to the applicant herein subject, however, to the approval

of this Commission, although no consent to the grant of a transfer of permits heretofore issued by the local governing bodies has as yet been secured.

At the hearing on this application the attorney for applicant submitted the matter and stipulated that the by-laws of the Plaza Stages, Inc., would be forwarded to the Commission and should be considered as evidence in this proceeding.

Plaza Stages, Inc., is an incorporated business association formed under the provisions of 653 B and succeeding sections of the Civil Code of the State of California.

Article XVI of the by-laws contains the following clause: "Membership fees are \$50.00 for each member. Dues are \$1.00 per day for each machine driven in the service of the company and said amount will be deducted from the aggregate of money received from tickets from passengers on the members car or cars."

Article XIX of the by-laws reads as follows:

"The business of this association for which it is formed is the operation of Stage Lines, and each member who desires to retain his membership must hold his car or cars subject to the orders of the Manager or person in charge of the said business, and as a part of his membership agrees to run such car or cars exclusively in said business of the association and under its direction."

The Commission is of the opinion that the applicant herein does not propose to operate a stage line in accordance with the provisions of Chapter 213, Laws of 1917, nor the subsequent regulations of this Commission.

The decision of this Commission in Case No. 1202 (Decision No. 5318, decided April 17, 1918) ordered all transportation companies, as defined in Chapter 213, Laws of 1917, to either own their equipment (proprietary control being deemed ownership) or to lease such equipment for a specified amount on a trip or term basis and that the leasing of equipment should not include the services of a driver or operator. The practice of leasing equipment or employing drivers or operators on the basis of compensation on a percentage basis and dependent on the gross receipts per trip or for any period of time was also prohibited in such case. Applicant not only does not propose to own any cars or to lease same under the provisions of the Commission's decision heretofore referred to but the proposed scheme of operation, as defined by the by-laws of applicant as hereinabove quoted, indicates that applicant intends to charge each operator or member of the association an amount each day for the privilege of operating under the jurisdiction of the applicant.

We are of the opinion that this is not in the interest of public policy nor a form of operation which should receive the approval of the Commission.

IT IS HEREBY ORDERED that this application be and the same hereby is denied.

Dated at San Francisco, California, this 14th day of May, 1919.

Edwin O. Edgerton
H. J. Loveland
Frank A. Wilson
H. V. B. ...

Commissioners.