

ORIGINAL

Decision No. 6848.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of
WESTERN MOTOR TRANSPORT COMPANY, a
corporation, (a) for authority to
sell and issue 755 shares of its
capital stock (b) to purchase pro-
perty, assets, and business of Oak-
land Valley Transit Company,

and

(c) for certificate of public conven-
ience and necessity to operate an auto
stage line for the transportation of
persons for compensation between Rodeo
and Oakland, California, and inter-
mediate points.

Application No. 4944.

In the Matter of the Application of
OAKLAND VALLEJO TRANSIT COMPANY to
sell, transfer and convey its property,
assets, and business to WESTERN MOTOR
TRANSPORT COMPANY.

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Sanborn and Rochl by H. H. Sanborn, for applicant.

BY THE COMMISSION:

O P I N I O N

Western Motor Transport Company, a corporation, and
Oakland Vallejo Transit Company, a co-partnership, have petitioned
the Railroad Commission for an order approving the sale and
transfer of the automobile stage line now operated by the Oak-
land Vallejo Transit Company; the Western Motor Transport Com-
pany, a corporation, proposing to acquire by purchase and here-

after operate the stage line routes of the Oakland Vallejo Transit Company.

Western Motor Transport Company, a corporation, has made application to the Railroad Commission for an order authorizing the issue of stock and the transfer of properties of the Oakland Vallejo Transit Company.

A public hearing was conducted by Examiner Hanford at San Francisco on October 17, 1919, the matter was duly submitted and is now ready for decision.

The rights and privileges proposed to be transferred are those granted by the Railroad Commission to Oakland Vallejo Transit Company, a co-partnership, in Decision Number 6317, on Application Number 4462, decided May 12, 1919.

The Railroad Commission is of the opinion that the transfer of the operative rights as sought in the application in this proceeding should be granted in accordance with the order following this opinion.

We will now consider the application regarding the issuance of stock.

Western Motor Transport Company was organized in August, 1919, with an authorized stock issue of \$500,000.00, divided into 5,000 shares of the par value of \$100.00 each. It intends to acquire the properties, business and assets of Oakland Vallejo Transit Company, a co-partnership, composed of Aven J. Hanford, Oscar E. Klatt and F.D. Everman. The members of the partnership have caused to be organized the Western Motor Transport Company.

The co-partnership under the authority granted by the Railroad Commission is operating an automobile stage line

between Oakland and Rodeo. As of October 15, 1919, the co-partnership reports the value of its automobile equipment at \$25,355.00 and the value of its shop equipment at \$5,735.25, making a total of \$31,090.25. The Commission is asked to authorize Western Motor Transport Company to issue \$75,000.00 of stock for the purpose of acquiring the properties, business and assets of Oakland Vallejo Transit Company. Representatives of Western Motor Transport Company, who are also members of the partnership constituting the Oakland Vallejo Transit Company, justified the issue of \$75,000.00 of stock on the ground that the co-partnership paid \$1,430.00 for organization expenses; that \$8,300.00 should be allowed for development expenses and \$4,800.00 for unpaid salaries. Counsel for applicant suggests that from \$10,000.00 to \$15,000.00 might be allowed for going-concern value. While it is urged that the Commission should make some allowance for going-concern value, its attention is, at the same time, directed to the proposition that the stock of Western Motor Transport Company cannot be sold for more than 80.

After reviewing the evidence herein and taking into consideration the history of Oakland Vallejo Transit Company, we are of the opinion that Western Motor Transport Company should not issue more than \$40,000.00 of stock to acquire the properties of Oakland Vallejo Transit Company, referred to in the petition herein.

O R D E R.

Application having been made for an order authorizing the issue of stock, the transfer of properties and the operation of an auto stage line for the transportation of persons between Oakland and Rodeo, a public hearing having been held, and the Railroad Commission being of the opinion that the application should be granted to the extent indicated in this order and subject to the conditions of this order:

IT IS HEREBY ORDERED that the application for a transfer of the property and operative rights of the Oakland Vallejo Transit Company, a co-partnership, to Western Motor Transport Company, a corporation, be, and the same is hereby, approved subject to the following conditions:

- 1.-- Applicant, Oakland Vallejo Transit Company, a co-partnership, will be required to immediately cancel all tariffs and the 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 Commission.

II - Applicant, Western Motor Transport Company, a corporation, will be required to file in its own name tariffs and time schedules, or to adopt as its own the tariffs and time schedules heretofore filed by the Oakland Vallejo Transit Company, a co-partnership, all rates and fares to be the same as those heretofore filed with this Commission by the Oakland Vallejo Transit Company.

III - The rights and privileges, the transfer of which are hereby approved may not hereafter be assigned or transferred unless the written consent of the Railroad Commission to such transfer or assignment has first been secured.

IV - No vehicle may be operated by applicant, Western Motor Transport Company, a corporation, unless such vehicle is owned by such applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that Western Motor Transport Company be, and it is hereby, authorized to issue, within ninety days after the date hereof, not exceeding \$40,000.00, par value, of its common capital stock for the purpose of acquiring the properties, business and assets of the Oakland Vallejo Transit Company referred to and described in the petition herein, provided;

Western Motor Transport Company will keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the twenty-fifth day of each month a verified report as

required by the Railroad Commission's General Order No. 24,
which order, in so far as applicable, is made a part of this
order.

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

Dated at San Francisco, California, this 19th day of
November, 1919.

Edwin C. Edgegate
H. J. Loveland
Brain O. Wilson

Jawing Martin

Commissioners.