

ORIGINAL

Decision No. 7011

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of	)	
F.N.Fuller and A.L.Fuller for	)	
permission to transfer certain real	)	
and personal property situate in the	)	Application No. 4714.
townsite of Las Flores, County of	)	
Tehama, State of California, known as	)	
Las Flores Water Works.	)	

W. A. Fish for Applicants.

BY THE COMMISSION:

O P I N I O N

The applicants in the above entitled proceeding, F. N. Fuller and A. L. Fuller, ask permission to transfer the water system owned by them, including two vacant lots, at Las Flores, Tehama County, to Rosa E. Stroing in exchange for 488 acres of ranch land.

A public hearing was held and the testimony presented shows that F. N. and A. L. Fuller are engaged in a real estate business and conduct a general merchandise store and pool room in the townsite of Las Flores; that about 1916 said Fuller Brothers subdivided and marketed this townsite and constructed a water system to serve the tract. The townsite is still in the development stage, there being only thirty-one residents.

The investigation made by the Commission's Hydraulic Engineers, and the testimony at the hearing shows that the approximate cost of the water system in question is \$4,000. The

property is now encumbered by a mortgage of \$300. The actual exchange of these properties was made on June 1, 1919, and applicant Stroing took possession of the property at that time and has since operated it.

It developed at the hearing that Rosa E. Stroing and her husband, Henry S. Stroing, who propose to operate this water system, are without funds or any financial resources other than their interest in the ranch which they propose to exchange for this public utility property. This water system produces an income of only \$35 to \$40 per month, and therefore, the purchasers will be dependent upon earnings from other sources for their livelihood. Mr. Stroing ~~is not strong physically~~ is not strong physically, and if he should become further incapacitated for work, the income from this system would be insufficient to employ a man to operate it.

After carefully considering all of the evidence submitted, including the fact that the Fullers constructed and operated this water system to promote a real estate project, we are of the opinion that it is inadvisable to permit such a transfer, and that if such transfer were consummated, the interest of the public would be seriously injured.

This Commission cannot tolerate the transfer by real estate concerns of systems such as this, where the transfer is clearly an attempt on the part of the real estate dealer to escape the responsibility which he owes to the residents of the tract whom he induced to purchase lots and houses by promises of adequate water supply and other improvements.

#### O R D E R

Application having been made by F. N. Fuller and A. L. Fuller for permission to sell, and by Rosa E. Stroing to buy that certain public utility water system delivering water to

the inhabitants of the townsite of Las Flores, Tehama County, and a public hearing having been held, and the Commission being fully apprised in the premises,

It is hereby found as a fact, that public convenience and necessity will be injured by the transfer of this system as proposed in the above entitled proceeding,

And basing its order upon the foregoing finding of fact, and the further statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that the application of F. N. Fuller and A. L. Fuller for authority to transfer this system, be, and it is hereby denied.

Dated at San Francisco, California, this 9<sup>th</sup> day of January, 1920.

Edwin O. Edgerton  
H. L. Loveland  
H. R. Bourdige

Commissioners.