

Decision No. 8210

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
El Dorado Stage Company to sell, and)
the Motor Transit Company, Inc. to)
purchase certain operative rights and)
personal property, and to issue)
\$105,000. of common stock of Motor)
Transit Company to El Dorado Stage)
Company in payment therefor.)

APPLICATION NO. 5964.

Harry A. Encell and H. W. Kidd, for Applicant.

LOVELAND, COMMISSIONER:

O P I N I O N

The El Dorado Stage Company, a corporation, and the Motor Transit Company, Inc., have made application to the Railroad Commission to sell and transfer certain operative rights for the conduct of an automobile passenger stage service between Los Angeles and Bakersfield, Taft and the intermediate points, applicant El Dorado Stage Company, desiring to sell and applicant, Motor Transit Company, desiring to purchase, acquire and hereafter operate said service.

The operative rights herein sought to be transferred are those acquired by the applicant, El Dorado Stage Company, a corporation, by virtue of its having operated prior to May 1, 1917, the transfer of operative rights herein set forth to be made upon an agreement filed with the application in this proceeding.

Motor Transit Company asks permission to issue \$105,000.00 of stock to acquire the properties owned by El Dorado Stage Company. The properties to be acquired include the right to operate stages over the following designated routes in the counties of Los Angeles and Kern, State of California.

- 1- Between the city of Los Angeles, California (202 East Fifth Street) and Bakersfield and all way points, via Los Angeles Street, Sunset Boulevard, Cahuenga Road, Lankershim Boulevard, through the cities of Lankershim and San Fernando, then on the State Highway through Nowhall, Saugus and over the Ridge Route and State Highway to Bakersfield, 18th and Chester Streets.
- 2- Between the city of Los Angeles and Taft, California, and all way points, over the same road to Greenfield, thence to Taft, Fourth and Center Streets.

The properties consist of eleven 8-passenger and six 11-passenger Peckard touring cars, one 8-passenger White touring car, machinery, tools, materials, supplies, office furniture and fixtures. The original cost of the stages is reported at \$64,428.44, and that of the supplies, materials, tools, office furniture and fixtures at \$16,638.04, making a total of \$81,066.48. The replacement value of the cars is reported by applicants at \$125,500.00, and that of all the properties which Motor Transit Company asks permission to acquire through the issue of stock, at \$142,138.04. Applicant reports that it has an option to purchase these properties at \$105,000.00.

A hearing was held on the application at Los Angeles on September 8, 1920, and the matter submitted without protest.

Upon consideration of the facts set forth in the application and the testimony of the witnesses, I am of the opinion that

the application should be granted, but the authority herein given to issue stock should not be interpreted as approving the replacement value of the properties.

- O R D E R -

A public hearing having been held in the above entitled application, the same having been submitted and being now ready for decision.

IT IS HEREBY ORDERED that the application for transfer be and the same is hereby granted, subject to the following conditions:

1st- That the applicant, Eldorado Stage Company, a corporation, will be required to cancel its tariffs of fares and time schedule on file with the Railroad Commission, in accordance with General Order No. 51 and other regulations of the Railroad Commission.

2nd- That the applicant, Motor Transit Company, Inc., will be required to immediately file with the Railroad Commission its tariff of fares and time schedule, in duplicate, or will adopt as its own the tariff and time schedule heretofore filed by the applicant, Eldorado Stage Company, a corporation, such fares, charges and time schedule to be identical with those heretofore filed by the applicant, Eldorado Stage Company, a corporation.

3rd- The rights and privileges of transfer hereby authorized may not again be sold, leased, transferred, discontinued, nor assigned unless the written consent of the Railroad Commission to such sale, lease, transfer, discontinuance or assignment has first been secured.

4th- No vehicle may be operated by the applicant, Motor Transit Company, Inc., unless such vehicle is owned by it or is leased by it for a specified amount on a trip or term basis, the leasing of equipment not to include the services of a driver or operator. All employment of drivers or operators of leased cars shall be made on the basis of a contract by which the driver or operator shall bear the relation of an employee to the transportation company by whom such driver or operator is engaged.

IT IS HEREBY FURTHER ORDERED that the Motor Transit Company, Inc., having applied to the Railroad Commission for permission to issue \$105,000.00 of common stock, and that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in this order, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY FURTHER ORDERED that the Motor Transit Company, Inc., be and it is hereby authorized to issue and deliver on or before November 15, 1920, in payment for the properties of Eldorado Stage Company, set forth in the petition herein, \$105,000.00 of its common capital stock, provided that Motor Transit Company, Inc. will keep such record of the issue and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report as required by the Railroad Commission's General Order No. 24, which

order, insofar 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 6th day of October, 1920.

Edwin O. Edgerton

H. D. Loveland

H. R. Brundage

Commissioners.