

Decision No. 36100

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Investigation on the )  
Commission's own motion into the rates, )  
rules, regulations, charges, classifi- )  
cations, practices, contracts, opera- )  
tions and schedules, or any of them, ) Case No. 3581.  
of F. C. and J. J. SONKE, copartners, )  
operating service between points in the )  
State of California. )

**ORIGINAL**

L. M. Linneman for Respondents

A. A. Jones for Southern Pacific Company,  
Pacific Motor Transport Company,  
Interested Parties,

R. L. Vaughan, by A. A. Jones, for  
Regulated Carriers, Inc.,  
Interested Party.

BY THE COMMISSION:

O P I N I O N

By its Order dated May 8, 1933, this Commission cited J. J. Sonke and F. C. Sonke, co-partners, to appear and show cause why the operating rights possessed by them for the transportation of property between Stockton and Gustine and between Gustine and Modesto, as granted by Decision No. 23766, dated June 8, 1931, on Application No. 17258, should not be revoked and annulled.

Public hearing herein was conducted by Examiner Handford at Los Bancs June 9, 1933, at which time respondent F. C. Sonke appeared and answered the citation.

The facts revealed at the hearing are substantially as follows:

Respondents, F. C. and J. J. Sonke, acquired from Manlove and Kerr by purchase at a cost of \$1350 the operating right involved, of which \$700 was stated to be the value of equipment transferred. This transfer was approved by our Decision No. 23766, on Application No. 17256, on June 8, 1931, the partners assumed operation and conducted same until July, 1932, when their operating equipment was seized by the State Board of Equalization for taxes and their operation ceased. About August 1, 1932, respondents entered into an agreement with Elmer J. Klassen, of Dos Palos, whereby he assumed the operating right and conducted further operations until approximately May 1, 1933. He received and retained all revenues accruing, the Sonke's receiving nothing.

On or about April 15, 1933, the Sonkes entered into a written agreement with J. J. Smith of Newman, by which the rights here involved were to be sold to Smith for a consideration of \$450. About May 1, 1932, Klassen ceased operation and Smith began operating. At that date Smith was under order by this Commission to cease and desist the transportation of property between San Francisco and Dos Palos and intermediate points, including all points between Stockton and Gustine, as possessed by the Sonkes, respondents herein. (Decision No. 25816, on Case No. 5338, dated April 10, 1933).

F. C. Sonke testified that no books and accounts had been kept by them. In 1932 this Commission accepted an annual report from them upon estimates furnished by them only after much delay and a personal demand on them by an accountant of the Commission. Written notice that respondents must keep intelligible records and accounts for 1932 business and

thereafter was sent respondents at that time. F. C. Sonke admitted no attempt had been made to comply with these instructions and at the time of hearing no annual report for 1932, as required by law, had been prepared or filed. Of course the operations after August 1st were in the hands of Klassen, who also testified that he had no records and accounts, except shipping orders and receipts. Both Sonke and Klassen testified that the operations conducted by either were unprofitable. J. J. Smith testified that he began negotiation for the rights some time in March, 1933, but had conducted service only since May 8th, 1933, and still was conducting it at the time of the hearing.

The foregoing facts are fully supported by the testimony of F. C. Sonke, Klassen and Smith and are such that the Commission is justified in revoking, for cause established herein, the operating rights now standing in the names of F. C. Sonke and J. J. Sonke, co-partners, as transferred to them by Decision No. 23766, on Application No. 17258. Such an order accordingly will be entered.

#### O R D E R

Respondents herein, F. C. Sonke and J. J. Sonke, having appeared, in answer to citation herein directed against them, personally and by counsel, a public hearing having been held, the matter having been duly submitted, and, basing its action on the finding of facts set forth in the Opinion preceding,

IT IS HEREBY ORDERED that all rights heretofore granted to respondents F. C. Sonke and J. J. Sonke by

Decision No. 23766, on Application No. 17258, be and the same hereby are revoked and annulled and that all time schedules and tariffs therefor be and the same hereby are cancelled and annulled.

Dated at San Francisco, California, this 26th day of June, 1935.

C. E. Seamy  
Leon A. Whiteley  
W. G. Lee  
W. B. Hanna  
M. J. [unclear]  
Commissioners.