

Decision No. 26466

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation on the
Commission's own motion into the accounting
methods and practices, annual reports, rates,
rules, regulations, practices, contracts,
operations, etc. of SAN RAFAEL FREIGHT AND
TRANSFER COMPANY, a corporation, and its
President, John D. Stine, operating a common
carrier trucking service between San Francisco
and San Rafael and operating as a carrier by
water between San Francisco and San Rafael.) Case No. 3640

T. C. Mc Gettigan, for Respondent.
H. W. Hobbs, for Northwestern Pacific Railroad,
Interested party.

SEAVEY, Commissioner -

ORDER of DISMISSAL

This proceeding was instituted to discipline San Rafael Freight and Transfer Company for its failure to conform to the Commission's General Order No. 84, requiring all truck carriers to remit C.O.D. collections to consignors within ten (10) days after collection. John D. Stine, President of the corporation, and owner of practically all the capital stock, admitted dereliction in this respect and agreed to pay, and did pay about thirty delinquent accounts aggregating nearly \$600, as shown by an audit of the books conducted by Mr. J. T. Jordan, one of the Commission's accountants. The record, however, shows more than mere delay in remittance for, in some instances, belated payments were made to complaining shippers out of the C.O.D. funds collected for the benefit of other shippers. In some instances payments were tendered by checks against accounts having no funds. By the dilatory practice this carrier, in fact, used these trust funds as working capital, which is repugnant to the trust assumed by any carrier under such circumstances.

Had Stine not personally, and under pressure of possible legal penalties, provided the funds to pay the many shippers who made informal complaint to the Commission, such amounts probably would have been lost. The record supports the belief that all such transactions by certificated carriers should be protected by adequate bonds to which shippers could look with assurance that the amounts due them would not be lost.

Aside from these features the record shows the operations as conducted by Stine to be unprofitable, having reached a considerable monthly loss due to the loss of the vessel used and the obsolescence of its motor equipment. The business was heavily in debt.

By Application No. 19133 Marine Service Corporation seeks to acquire the certificated rights possessed by San Rafael Freight and Transfer Company. As the service should be maintained in the public interest and as the Commission has approved the transfer to an owner that appears financially able and honest, and with some experience in transportation, I recommend that the instant proceeding be dismissed, and suggest the following form or order:

ORDER

The above entitled matter having been duly heard and submitted and the Commission being fully advised,

IT IS HEREBY ORDERED that the order instituting investigation and order to show cause herein be and they are hereby dismissed.

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

Dated at San Francisco, California, this 23rd day of October, 1933.

D. C. Leary
Leon D. Leary
W. B. Leary
W. B. Leary
W. B. Leary
COMMISSIONERS.