

Decision No. 27237

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Tolson Transportation System, Inc, to sell and L. R. Kagarise, operating under fictitious name of Keystone Express System, to purchase automobile freight lines operated between Los Angeles and Seal Beach, Huntington Beach and intermediate points; between Los Angeles and Torrance, Harbor City and intermediate points; between Los Angeles and Gardena and intermediate points; and between Torrance and Los Angeles Harbor (Steamship Wharves) only.

Application No. 19539.

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Tolson Transportation System, Inc. has petitioned the Railroad Commission for an order approving the sale and transfer by it to L. R. Kagarise, operating under the fictitious name of Keystone Express System, of certain operating rights for an automotive service for the transportation of property between Los Angeles and Torrance, Gardena, Seal Beach and Los Angeles Harbor, and L. R. Kagarise has petitioned for authority to purchase and acquire said operating rights and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement, a copy of which, marked Exhibit "A", is attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$6500.00. Of this sum \$1000.00 is declared to be the value of equipment and \$5500.00 is declared to be the value of intangibles. Purchaser is to pay

\$500 cash, assume \$500 due upon two trucks, which is to be paid at the rate of \$73.00 a month. The \$5500.00 remaining is to be paid in equal installments for a period of 55 months.

The operating rights herein proposed to be transferred were created by Decision No. 14606, dated February 26, 1925, on Application No. 10286 and Decision No. 16470, dated April 12, 1926, on Application No. 12684. Tolson Transportation System, Inc. retains other operating rights.

We are of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted.

L. R. Kagarise is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

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

1. The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property for rate fixing, or any purpose other than the transfer herein authorized.

2. Applicant Tolson Transportation System, Inc. shall within twenty (20) days after the effective date of the order unite with applicant L. R. Kagarise in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Tolson

Transportation System, Inc. on the one hand withdrawing, and applicant L. R. Kagarise on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant Tolson Transportation System, Inc. shall within twenty (20) days after the effective date of the order withdraw time schedules filed in its name with the Railroad Commission and applicant L. R. Kagarise shall within twenty (20) days after the effective date of the order file, in duplicate, in his own name time schedules covering service heretofore given by applicant Tolson Transportation System, Inc., which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Tolson Transportation System, Inc. or time schedules satisfactory to the Railroad Commission.

4. The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

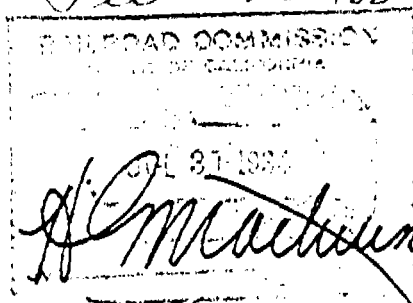
5. No vehicle may be operated by applicant L. R. Kagarise unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

6. This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act and the Auto Stage and Truck Transportation Act to be paid on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00.

7. The authority granted to sell and transfer the rights and/or property shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

Dated at San Francisco, California, this 30th day of

July 1934.



C. L. Leavy
Leon A. White
M. J. Carr
M. B. Harris
COMMISSIONERS.