

Decision No. 27254

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
BENJAMIN S. GOLDBERG  
to sell to G. F. D. LINES, INC., an  
automobile truck line in Southern  
California, and have issued, an in  
lien certificate and for the issu-  
ance of securities. }

ORIGINAL

Application No. 19534

Phil Jacobson, for Applicants.

BY THE COMMISSION:

O P I N I O N

Benjamin S. Goldberg has petitioned the Railroad Commission for an order approving the sale and transfer by him to G. F. D. Lines, Inc. of operating rights for an automotive service for the transportation of property between Los Angeles and San Diego, Imperial Valley and Pasadena and certain intermediate points, and G. F. D. Lines, Inc. has petitioned for authority to purchase and acquire said operating rights and hereafter to operate thereunder, the sale and transfer to be in accordance with agreements, copies of which, marked Exhibits "A" and "C", are attached to the application herein and made a part thereof, and to issue 100 shares of its capital stock without par value.

Benjamin S. Goldberg also seeks the approval of the transfer to him of the partnership interest of J. H. Goldberg, deceased, which he has acquired from decedent's estate through Bank of America National Trust and Savings Association, Administrator, for the sum of \$2,700.00. This sale was approved by the Superior Court in and for the County of Los Angeles in its order duly made and entered on March 12, 1934. (See Exhibit "A" attached to the

application.) Applicant Goldberg seeks now to transfer the entire business to the corporation as set forth in Exhibit "C".

The operating rights herein proposed to be transferred were obtained by the present owner by virtue of Decision No. 21381, in Application No. 15800, Decisions Nos. 25493, 26229, 26555 and 26747, in Application No. 18271, and Decision No. 25759, in Application No. 18706.

The assets and liabilities of the business now conducted by Benjamin S. Goldberg under said certificates are reported as of July 1, 1934, as follows:

ASSETS

Accounts receivable.....	\$ 4,114.58
Trucks, auto and equipment.....	12,347.93
Total assets.....	<u>\$16,462.51</u>

LIABILITIES

Truck contracts payable.....	\$ 3,392.71
Notes payable.....	2,300.00
Total liabilities.....	<u>\$ 5,692.71</u>

NET ASSETS.....	<u>\$10,769.80</u>
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The truck contracts and the notes are reported payable within one year.

G. F. D. Lines, Inc., the purchasing corporation, was organized under the laws of the State of California, on or about May 10, 1934, with an authorized capital stock of 100 shares, without par value. It proposes to issue the 100 shares in consideration of the transfer to it, subject to existing liabilities, of the aforesaid assets and operating rights. It requests the consolidation of the rights through the issuance to it of an in lieu certificate.

There appears to the Commission no reason why the application should not be granted and the order herein will so provide. In making this order, we wish to place G. F. D. Lines, Inc. upon

notice that operating 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.

#### O R D E R

Benjamin S. Goldberg having applied to the Railroad Commission for an order authorizing the transfer of operating rights and properties, and G. F. D. Lines, Inc. having applied for an in lieu certificate of public convenience and necessity and for an order authorizing the issue of 100 shares of stock, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of said 100 shares of stock is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

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 Benjamin S. Goldberg shall, within twenty (20) days after the effective date of the order, unite with applicant G. F. D. Lines, Inc. in common supplement to the tariffs on file with the Commission covering

service given under certificates herein authorized to be transferred, applicant Benjamin S. Goldberg on the one hand withdrawing, and applicant G. F. D. Lines, Inc. on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant Benjamin S. Goldberg shall, within twenty (20) days after the effective date of the order, withdraw time schedules filed in his name with the Railroad Commission, and applicant G. F. D. Lines, Inc. shall, within twenty (20) days after the effective date of the order, file, in duplicate, in its own name, time schedules covering service heretofore given by applicant Benjamin S. Goldberg, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of Benjamin S. Goldberg, 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 G. F. D. Lines, Inc. unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

6. G. F. D. Lines, Inc. shall keep such record of the issue of the 100 shares of stock herein authorized, as will enable it to file a report, or reports, such as are required by the Railroad Commission's General Order No. 24.

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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY  
DECLARES, that public convenience and necessity require the consolidation and unification of the rights herein transferred to G. F. D. Lines, Inc. into one single operation between all termini and intermediate points, and

IT IS HEREBY ORDERED, that a certificate of public convenience and necessity therefore be, and the same hereby is, granted in lieu of all rights possessed by Benjamin S. Goldberg, which rights were granted by Decision No. 21381, in Application No. 15800, Decisions

Nos. 25493, 26229, 26555 and 26747, in Application No. 18271, and Decision No. 25759, in Application No. 18706, for the transportation of films for theatres, churches, schools and other places where films are to be exhibited, and film accessories limited to projecting machinery and parts therefor, advertising matter, electrical lighting effects, including bulbs, advertising slides, and tickets, and no other commodities, over and along the following routes:

Route 1. Along Huntington Drive to El Sereno and from El Sereno over York Boulevard to Glendale, thence via main highway.

Route 2. Main highway from Los Angeles through Whittier, La Habra, Brea, Fullerton, Anaheim, Orange and Santa Ana, thence along main highway to Huntington Beach, thence along Coast highway to Chula Vista.

Route 3. Along Valley Boulevard, via Ontario, Riverside, March Field, thence over Jackrabbit Trail to Banning, thence along State highway to Calexico, serving Holtville by diversion.

Route 4. North on Cahuenga to North Hollywood, thence south on Cahuenga to Sunset, west on Sunset to West Hollywood, Beverly Hills, Sawtelle, Santa Monica and Culver City, thence to Inglewood, Hawthorne and Hyde Park, returning either via Western Avenue, or by divergence over Manchester Avenue to Vermont Avenue, thence returning over Manchester Avenue to Western Avenue, thence over Western Avenue to terminus in Los Angeles.

Route 5. North on Vermont Avenue to Los Feliz Boulevard to Brand Boulevard in Glendale. North on Chevy Chase to La Canada, then to Montrose, then via Michigan Avenue or Foothill Boulevard to Pasadena and Altadena. Then south through East Pasadena or Lamanda Park into Alhambra City on Atlantic Boulevard to Valley Boulevard or Alhambra Road into Los Angeles via North Main Street and North Broadway.

PROVIDED, no service shall be rendered between Los Angeles and March Field.

DATED at San Francisco, California, this 6<sup>th</sup> day of August, 1934.

C. C. Harvey  
Leon O. White  
M. A. Cum  
M. B. Karing  
M. B. Karing

Commissioners.