

Decision No. 29584

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
A. L. RICHARDSON, JR.  
doing business as Pierce Arrow Stages  
and/or Pierce Arrow Stage Line, to  
sell, and W. H. Pimentel, to purchase,  
an automobile stage line operated  
between Sacramento and Lake Tahoe  
points, via Placerville, and for author-  
ity to issue promissory notes and chattel  
mortgages in connection therewith.

Application No. 20976

ORIGINAL

Harry A. Encell and Wackhorst & Desmond,  
for applicants.

BY THE COMMISSION:

OPINION AND ORDER

This is an application for an order authorizing A. L. Richardson, Jr., doing business as Pierce Arrow Stages and/or Pierce Arrow Stage Line, to transfer auto stage operating rights and properties to W. H. Pimentel, and authorizing W. H. Pimentel to execute two mortgages and to issue two notes in the aggregate face amount of \$27,500.

The operating rights to be transferred were acquired by A. L. Richardson, Jr. under authority granted by Decision No. 24674, dated April 11, 1932, in Application No. 16071, and by Decision No. 24973, dated July 5, 1932, in Application No. 18200, and in general, permit the operation of an automobile stage line for the transportation of passengers, baggage and express between Sacramento and Lake Tahoe points, via Placerville. The physical properties include eleven auto stages. His operating revenues for 1936 are reported at \$27,716.79.

The consideration agreed to be paid by W. H. Pimentel is the sum of \$27,500.00 of which \$10,000.00 will be paid upon presentation of a certified copy of the order of this Commission approving the transfer of the rights and properties, and \$17,500.00 will be evidenced by a six percent. promissory note payable in annual installments of \$2,500. commencing on October 1, 1937 and secured by a mortgage covering the

physical properties now to be transferred and five auto stages now owned by W. H. Pimentel.

In addition, W. H. Pimentel desires to execute a mortgage to Bank of America National Trust and Savings Association and to issue a six percent. installment note for \$10,000.00 payable at the rate of \$200.00 monthly to secure the initial payment in the transaction referred to herein. In this connection it should be noted that W. H. Pimentel, under the name of North Sacramento Stage Line, now and for some time has been engaged in the business of transporting passengers by auto stages generally between Sacramento and North Sacramento.

We are not in this proceeding making a finding of value of the properties and rights to be transferred. In making the order herein we wish to put W. H. Pimentel 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 in the number of rights which may be given. The Commission further is of the opinion that the money, property or labor to be procured or paid for through the issue of the notes referred to herein 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 A. L. Richardson, Jr. be, and he hereby is, authorized to sell and transfer to W. H. Pimentel the certificates of public convenience and necessity and the physical properties referred to in this application.

IT IS HEREBY FURTHER ORDERED that W. H. Pimentel be, and he hereby is, authorized upon acquiring said equipment and certificates to

execute a mortgage of chattels and a mortgage substantially in the same form as those filed as Exhibits "C" and "E" respectively, and to issue two six percent. notes; one for \$10,000. and one for \$17,500., payable as indicated herein.

The authority herein granted is subject to the following conditions:-

1. A. L. Richardson, Jr. and W. H. Pimentel, applicants herein, within twenty(20) days after the effectual date of this order, shall join in common supplement to be filed in triplicate to the tariffs on file with the Commission by A.L.Richardson, Jr., said A.L.Richardson, Jr. on the one hand withdrawing from such tariffs and said W.H.Pimentel on the other hand adopting and establishing as his own such tariffs and all effective supplements thereto.

2. A. L. Richardson, Jr. shall within twenty(20) days after the effective date of the order, withdraw all time schedules filed in his name with the Railroad Commission and W.H.Pimentel shall file within twenty(20) days after the effective date of this order, in duplicate, time schedules covering the service under the operating rights herein authorized to be transferred to him, such time schedules to be identical with those heretofore filed by said A.L.Richardson, Jr., or time schedules satisfactory to the Commission.

3. The rights and privileges herein authorized to be transferred may not hereafter be sold, transferred, leased nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission has first been secured.

4. No vehicle may be operated by W.H.Pimentel under the authority herein granted, unless such vehicle is owned by him or is leased by him under a contract or agreement on a basis satisfactory to the Commission.

5. W. H. Pimentel shall keep such record of the issue of the notes herein authorized as will enable him to file within thirty(30) days thereafter, a verified report such as is required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is

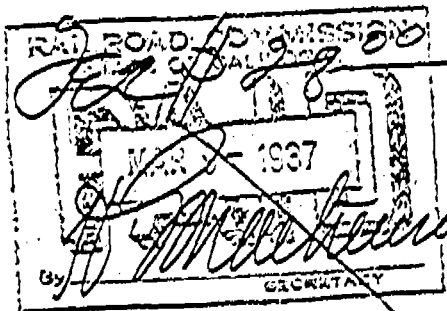
made a part of this order.

6. The authority herein granted to execute a mortgage of chattels and a mortgage, is for the purpose of this proceeding only, and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said instruments as to such other legal requirements to which they may be subject.

7. The consideration to be paid for the properties 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 for any purpose other than the transfer herein authorized.

8. The authority hereinabove granted will become effective when W.H.Pimentel has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-eight (\$28.00) Dollars. Such authority shall lapse and become 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 5th day of March, 1937.



William H. Pimentel  
Leon Whittell  
Frank R. Brown  
Robert W. Johnson  
Ray C. Kelley  
Commissioners.