

Decision No. 35777

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of VALLEJO BUS COMPANY, a corporation, to sell and of LUTHER E. GIBSON, HARRY V. SOANES, AND FRANK O. BELL, co-partners doing business under the firm name and style of VALLEJO BUS CO., to purchase the automotive service for the common carrier transportation of passengers between the City of Vallejo and Mare Island Navy Yard, Vallejo Annex, Emerald Terrace, Bay Terrace, Vista de Vallejo, Fairmont Gardens, Hanns Tract, Highway Homes Addition, and South Vallejo, and intermediate points as a unified and consolidated operation.

Application
No. 25072

O'Hara and Randall and Victor M. Castagnetto,
by Russell F. O'Hara, for Applicants.

BY THE COMMISSION:

O P I N I O N

Vallejo Bus Company, a corporation, asks permission to sell, for \$29,937.20, its operative rights and properties, described in the Agreement of Sale on file in this proceeding, to Vallejo Bus Co., a copartnership.

Vallejo Bus Company, a corporation, was organized in 1936. It is engaged in the operation of an automotive service for the transportation of passengers between the City of Vallejo and Mare Island Navy Yard, Vallejo Annex, Emerald Terrace, Bay Terrace, Vista de Vallejo, Fairmont Gardens, Hanns Tract, Highway Homes Addition, and South Vallejo, and intermediate points. For a more specific description of the company's service area reference is here made to Decision No.

34167, dated May 6, 1941, as amended by Decision No. 34355, dated July 1, 1941, as amended by Decision No. 34484, dated August 12, 1941, as amended by Decision No. 35195, dated March 31, 1942, and as amended by Decision No. 35331, dated May 5, 1942. For 1941 the corporation reports operating revenues of \$64,779.83. The testimony in this proceeding shows that for the first four months of this year its operating revenues amounted to about \$56,000.

Luther E. Gibson and Harry V. Soanes own the outstanding stock of Vallejo Bus Company. They and Frank O. Bell, Secretary of the corporation, propose to form a general copartnership which will do business under the firm name and style of Vallejo Bus Co. Luther E. Gibson will own a one-quarter, Harry V. Soanes a one-half, and Frank O. Bell a one-quarter interest in the copartnership. They will pay cash for the properties which they propose to acquire from the corporation, but will not assume any of the corporation's liabilities.

The properties and their costs, other than the operative rights which the copartnership proposes to acquire, are set forth in Exhibits No. 1 and 2. These show 18 units of equipment having a depreciated cost of \$22,617.65. The depreciated cost of leasehold improvements, machinery, tools, furniture and fixtures is reported at \$4,676.00. A cost of \$1,500 has been assigned to the operative rights. The corporation will retain title to four buses recently acquired until such time as full payment has been made therefor. These, however, will in the meantime be leased to the copartnership.

The testimony shows that through the transfer of the

properties a substantial saving in expenses can be effected.

O R D E R

A public hearing having been held on the above entitled application before Examiner Fankhauser, and the Commission having considered the testimony submitted at such hearing and it being of the opinion that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that Vallejo Bus Company, a corporation, be, and it is hereby, authorized to transfer, on or before December 31, 1942, to Luther E. Gibson, Harry V. Soanes and Frank O. Bell, copartners doing business under the firm name and style of Vallejo Bus Co., the properties described in the agreement on file in this proceeding, together with the operative rights created by Decision No. 34167, dated May 6, 1941, as amended by Decision No. 34355, dated July 1, 1941, as amended by Decision No. 34484, dated August 12, 1941, as amended by Decision No. 35195, dated March 31, 1942, and as amended by Decision No. 35331, dated May 5, 1942, provided, that the authority hereby granted is subject to the provisions of Section 52(b) of the Public Utilities Act, and further to the condition that Luther E. Gibson, Harry V. Soanes and Frank O. Bell, copartners doing business under the firm name and style of Vallejo Bus Company, their successors and assigns shall never claim before this Commission or any court or any other public body, a value for said operative rights, or claim as the cost thereof, an amount in excess of that paid for said rights by those to

whom said rights were originally granted.

IT IS HEREBY FURTHER ORDERED that Vallejo Bus Company and Luther E. Gibson, Harry V. Soanes and Frank O. Bell, co-partners doing business under the firm name and style of Vallejo Bus Co., comply with Part IV of General Order No. 93-A and General Order No. 79 by filing an appropriate time schedule and a withdrawal and adoption notice of tariffs within sixty (60) days of the date hereof and upon not less than one (1) day's notice to the Commission and public.

IT IS HEREBY FURTHER ORDERED that Luther E. Gibson, Harry V. Soanes and Frank O. Bell, copartners doing business under the firm name and style of Vallejo Bus Co., shall within thirty (30) days after they acquire the aforesaid properties, file with the Commission a copy of their partnership agreement.

IT IS HEREBY FURTHER ORDERED that this order shall become effective upon the date hereof.

Dated at San Francisco, California, this 15th day of September, 1942.

Justice J. Cramer

J. F. Baker

Francis D. Stovence

Richard Kachse

Commissioners.