

Decision No. 37435

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 J. N. ANDERSON, operating under the)
 name and style of J. N. ANDERSON)
 THEATRE SERVICE, to sell, and)
 RODNEY M. ADDCOX, doing business as)
 SANTA BARBARA SPECIAL DELIVERY, to)
 purchase an automobile freight line)
 and special messenger service be-)
 tween Long Beach, Wilmington, San)
 Pedro, Long Beach, Gardena, Compton,)
 Los Angeles, Redondo Beach, Hermosa)
 Beach, Manhattan Beach, El Segundo,)
 Hawthorne, and Inglewood, in Route)
 One; Hynes, Clearwater, Bellflower,)
 Artesia, Norwalk and Downey, in Route)
 Two, and intermediate points.)

ORIGINAL

Application No. 26182

BY THE COMMISSION:

O P I N I O N

J. N. Anderson, doing business as J. N. Anderson Theatre Service, is operating as a highway common carrier in the transportation of motion picture films, theatre supplies and accessories in general between Long Beach, Wilmington, Torrance, Compton, Huntington Park, Redondo Beach, Clearwater, Artesia, Downey, Los Angeles and intermediate points under certificates heretofore granted by, and as more specifically described in Decisions Nos. 16541 and 26229.

Applicant Anderson requests authority to sell and applicant Rodney M. Addcox proposes to purchase the operative rights above described and certain equipment used in this operation.

The total consideration to be paid is \$9,000, of which \$7,000 is said to represent the value of the equipment and \$2,000 the value of the good will and operative rights. Terms of payment are \$200 cash and \$8,800 upon approval of the sale by this Commission.

Applicant Rodney M. Addcox, doing business as Santa Barbara Special Delivery, now operates as a highway common carrier, transporting motion picture films, accessories, and supplies, between Los Angeles and Santa Barbara and intermediate points, under authority granted by the Commission. Also, Addcox was recently granted a certificate of public convenience and necessity authorizing an extension of this service.

It is reported that Anderson has been in the armed forces for over a year and that Addcox has been acting as general manager for Anderson. As applicant Anderson is unable to give this business his personal attention, he desires authority to sell it to Addcox. Applicant Addcox is experienced in this line of business and is financially able and otherwise qualified to continue the service in a satisfactory manner. A financial statement, filed June 26, 1944, shows Addcox's condition to be as follows: total tangible assets \$23,950; Total liabilities \$750.

The equipment to be transferred consists of three trucks with panel bodies, tools, greasing equipment, hand trucks, and office furniture and fixtures, valued by the seller at \$7,700.

The Commission has been informed that the operating revenues and expenses, and the net operating revenue of Anderson's service for five years, 1939-1943, inclusive, were as follows:

	1939	1940	1941	1942	1943
Revenue (3)	\$14,532.29	\$15,251.22	\$15,124.70	\$16,237.46	\$18,451.90
Expense	13,903.29	15,281.22	15,124.70	16,237.46	18,459.49
Net Revenue	\$ 629.00	\$ -	\$ -	\$ -	\$ 2.41

(1) This certificate was acquired by Rodney M. Addcox pursuant to Decision No. 32573, rendered November 21, 1939, in Application No. 23114.

(2) Decision No. 37220, dated July 21, 1944. This was an interim certificate.

(3) Operating expense includes the following items:

Year	Salaries (Officials)	Labor (Operators of stages or trucks)
1939	\$2,400.00	\$4,234.10
1940	2,300.00	5,751.46
1941	1,415.21	6,498.11
1942	1,631.68	6,177.80
1943	2,600.00	9,860.56

The Commission has made no evaluation of the property and the action taken herein shall not be construed to be a finding of value for any purpose.

As required by law, filing fees of \$100 have been paid for filing applications in connection with the operative rights involved herein. If the buyer acquires such operative rights and pays therefor the sum of \$2,000, he may charge to Intangible Capital a sum not to exceed \$100. The remainder, \$1,900, should be charged to Proprietor's Investment Account.

After full consideration of this matter, the Commission is of the opinion and finds that the proposed transfer should be authorized. A public hearing is not deemed necessary.

Rodney M. Adcox is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. 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

IT IS ORDERED:

(1) That J. N. Anderson be, and he is hereby authorized to transfer to Rodney M. Adcox the operative rights created by Decisions Nos. 16541 and 26229 and the automotive and other property referred to in the foregoing opinion, and that Rodney M. Adcox be, and he is hereby authorized to purchase and acquire said rights and property and thereafter operate under said operative rights.

(2) That if Rodney M. Addcox acquires the operative rights and property referred to in paragraph (1) of this order, he may charge to Intangible Capital Account not more than \$100 of the purchase price of the operative rights; the remainder of the payment for such rights is to be charged to Proprietor's Investment Account.

(3) That within thirty (30) days after the transfer of the properties, as herein authorized, Rodney M. Addcox shall file with the Railroad Commission a copy of the bill of sale executed under the authority herein granted.

(4) Applicants shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A by filing in triplicate, and concurrently making effective, appropriate tariffs and time tables within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and the public.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 31st day of

October, 1944.

Richard L. ...
Justus F. ...
Francis R. ...
James ...
W. H. ...
COMMISSIONERS