

Decision No. 38390

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SONOMA EXPRESS COMPANY, a corporation,  
for authority to issue stock and of  
ROBERT G. ANDERSON and JOHN V. ANDER-  
SON, a copartnership, doing business  
as Sonoma Express Company, to transfer  
their express operative right and busi-  
ness to SONOMA EXPRESS COMPANY, a cor-  
poration.

**ORIGINAL**  
Application  
No. 27067

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BY THE COMMISSION:

OPINION AND ORDER

This is an application for an order of the Railroad Commission authorizing Robert G. Anderson and John V. Anderson, copartners doing business under the firm name and style of Sonoma Express Company, to transfer their business to Sonoma Express Company, a corporation, and authorizing the corporation to issue \$1,000 par value of its common capital stock.

It is set forth in the application that Robert G. Anderson and John V. Anderson are conducting business as an "express corporation" as that term is defined in Section 2 (k) of the Public Utilities Act, and as such are engaged in the transportation of property between San Francisco and points in Marin, Sonoma and Napa Counties. The operative rights under which such operations are conducted are said to have been established by reason of operations commenced in 1887 and continued without interruption since that time. They were acquired by the present owners by purchase under authority granted by the

Commission by Decision No. 36807, dated January 11, 1944.

The application shows that the present owners desire to incorporate their express business and to that end have caused the organization of Sonoma Express Company, a corporation, which will take over their business and current assets and liabilities in exchange for ten shares of stock of the aggregate par value of \$1,000. A statement of the current assets and liabilities to be thus transferred appears in Exhibit "B" as follows:

ASSETS

Money in bank	\$ 616.77
Due from agents	<u>480.53</u>
Total	<u>\$1,097.30</u>

LIABILITIES

Interline-Due Haslett Warehouse Co.	\$ 67.60
Due agents	100.00
Accounts payable	<u>1.02</u>
Total	<u>\$ 168.62</u>

The gross revenues of the business are reported at \$22,914.93 for the calendar year 1944, and at \$11,285.15 for the first six months of 1945.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the requests of applicants should be granted, as herein provided.

In authorizing the transfer we are making no finding of the value of the operative rights and wish to place the purchaser 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 in the number of rights which may be given.

IT IS HEREBY ORDERED as follows:

1. Robert G. Anderson and John V. Anderson, co-partners doing business under the firm name and style of Sonoma Express Company, on or before January 31, 1946, may transfer to Sonoma Express Company, a corporation, the operative rights and assets referred to herein.

2. Sonoma Express Company, a corporation, on or before January 31, 1946, may issue not exceeding \$1,000 par value of its common capital stock in payment for the rights and assets herein authorized to be transferred, it being the opinion of the Commission that the money, property or labor to be procured or paid for through such issue 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.

3. Robert G. Anderson and John V. Anderson, co-partners, and Sonoma Express Company, a corporation, shall comply with the provisions of Tariff Circular No. 2 by filing, in triplicate, and concurrently making effective, appropriate tariff withdrawal and adoption supplements satisfactory to the Commission, 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.

4. Sonoma Express Company, a corporation, shall file with the Commission, in triplicate, within thirty (30) days after the execution thereof, copies of any contract entered into by it, as an express corporation, and any common carrier relating to the performance of any service by the latter as an underlying common carrier.

5. Sonoma Express Company shall file with the Commission a report, or reports, as required by the terms of General Order No. 24-A, of the issue of the stock herein authorized.

6. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup> day of November, 1945.

David Anderson  
Justin J. Calmes  
Francis W. Calmes  
James P. Powell  
Commissioners