

Applicant Maurice reports his operating revenues at \$127,524 in 1943, at \$153,347 in 1944 and at \$174,776 in 1945, and his net income, exclusive of provision for income taxes, at \$25,894 in 1943, at \$34,716 in 1944 and at \$41,607 in 1945. He reports his assets and liabilities, as of July 31, 1946, as follows:

Assets:

Cash		\$ 2,283.78
Land		2,000.00
Buildings and equipment	\$97,304.40	
Less: depreciation	<u>30,972.98</u>	<u>66,331.42</u>
Total		<u>\$70,615.20</u>

Liabilities

Notes payable	\$ 7,500.00
Current and accrued liabilities	932.40
Proprietor's account	<u>62,182.80</u>
Total	<u>\$70,615.20</u>

It is reported that applicant Maurice now desires to incorporate his business and accordingly has caused the organization, on or about May 29, 1946, of Sunset Stages. He proposes, subject to receiving permission from the Commission, to transfer his operative rights and properties to the corporation for the sum of \$62,182, payable in stock of the corporation. In addition, the corporation proposes to issue one share of stock each to Clifford A. Maurice and Marion M. Maurice at par for cash.

In the transaction no value is assigned to the operative rights. In our opinion the assets are sufficient to warrant the issue of stock in the amount requested and the order herein will so provide. Sunset Stages 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

D. B. Maurice and Sunset Stages, a corporation, having applied to the Railroad Commission for an order authorizing the transfer of properties and the issue of \$62,184 of stock, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, that the requests of applicants should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of said 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,

IT IS HEREBY ORDERED as follows:

1. D. B. Maurice, after the effective date hereof, may transfer to Sunset Stages, a corporation, the certificates of public convenience and necessity and the properties referred to in the opinion preceding this order.

2. Sunset Stages, after the effective date hereof and on or before December 31, 1946, may issue \$62,182 par value of

its common capital stock in payment for the properties of D. B. Maurice herein authorized to be transferred, and may issue and sell at par for cash, \$2 of its common capital stock and use the proceeds for working capital.

3. Applicants shall comply with the provisions of General Order No. 79 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 to the public.

4. Sunset Stages, within thirty (30) days after the issue of the stock herein authorized, shall file with the Commission a statement showing the journal entries used to record on its books the purchase of the properties of D. B. Maurice and a report of the issue of the stock as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted is not to be construed to be a finding of value of the properties herein authorized to be transferred.

6. The authority herein granted will become effective twenty (20) days from the date hereof.

Dated at Los Angeles, California, this 1st day of
October, 1946.

Harold Hills
Justin F. Casper
Francisco Elor
A. F. [Signature]
Commissioners