



other hand, which areas are in the Commission's order described as follows:

"Area 'A' Beginning at the intersection of Manchester and Vermont Avenues, thence northerly along Vermont Avenue, easterly along Sunset Boulevard, Macy Street, and Los Angeles River, southerly along Atlantic Avenue, and westerly along Manchester Avenue to Vermont Avenue.

"Area 'B' Beginning at the intersection or junction of Sunset and Santa Monica Boulevards, thence along Santa Monica Boulevard, Beverly Glen Boulevard, Ventura Boulevard, Sepulveda Boulevard, Brand Boulevard (in San Fernando), thence southeasterly along Foothill Boulevard (through Altadena to Arcadia), thence along 1st Street (in Arcadia), Live Oak Avenue, Peck Road, Holt Avenue (to El Monte), thence southeasterly along Valley Boulevard, westerly along Garvey Avenue, southerly along Atlantic Boulevard, northeasterly following the Los Angeles River to Macy Street, westerly along Macy Street, Sunset Boulevard to its junction with Santa Monica Boulevard.

Area 'B' shall include all of the area within the corporate limits of the cities of Beverly Hills, San Fernando, Arcadia, El Monte, Monterey Park."

Charles W. Schenk is now engaged in conducting a common carrier service under the name of Auto Parts Delivery. As of February 28, 1947, he reports assets and liabilities as follows:

Assets

Current assets	\$ 6,566.69
Stationery supplies	542.49
Carrier operating property, depreciated	7,712.65
Non-operating property, depreciated	1,014.11
Franchises	<u>1,200.00</u>

Total Assets \$17,035.94

Liabilities

Current liabilities	\$ 6,185.19
Equipment obligations	1,974.00
Advances payable	9.87
Net worth	<u>8,866.88</u>

Total Liabilities and  
Net Worth \$17,035.94

Charles W. Schenk asks permission to transfer his operative rights, equipment, current assets, current liabilities and Auto Parts Delivery business to Auto Parts Delivery, Inc., a corporation organized and existing under the laws of California. The corporation has an authorized stock issue of 2,500 shares, all shares being without par value. As stated, it asks permission to issue 1,000 shares of its stock to Charles W. Schenk in exchange for his operative rights, automotive equipment and properties used in his Auto Parts Delivery service. A copy of the agreement of sale is filed in this application as Exhibit "A".

Auto Parts Delivery, Inc. 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.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

The Commission having considered Applicants' requests and it being of the opinion that this is not a matter on which a

hearing is necessary, that the money, property or labor to be procured or paid for by the issue of 1,000 shares of no par value stock by Auto Parts Delivery, Inc. is reasonably required by it for the purposes herein stated, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Charles W. Schenk, doing business as Auto Parts Delivery, may, after the effective date hereof and on or before September 30, 1947, sell to Auto Parts Delivery, Inc. his operative rights, equipment and business to which reference is made in the foregoing opinion.
2. Auto Parts Delivery, Inc. may, after the effective date hereof and on or before September 30, 1947, issue and deliver to Charles W. Schenk in exchange for said operative rights, properties and business, 1,000 shares of its no par value capital stock.
3. 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 to the public.
4. Auto Parts Delivery, Inc. shall, within thirty (30) days after acquiring said properties, file a report with the Commission showing the number of shares of stock issued under the

authority herein granted, to whom said shares were issued, and the purposes for which said shares were issued.

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

Dated at San Francisco, California, this 24<sup>th</sup> day of June, 1947.

Harold P. Kula  
Justin F. Gallivan  
Walter H. Russell  
A. E. [unclear]  
Herbert [unclear]  
 Commissioners