

Decision No. 41711

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
TEDDY PAPPAS and RUTH DEMAS, co- )  
partners doing business under the )  
firm name and style of TEDDY'S TAXI )  
CORPORATION, a corporation, to )  
purchase the automotive service for )  
the common carrier transportation of )  
passengers, baggage and express )  
between Sacramento and Sacramento )  
Municipal Airport. )

Application No. 29264

O P I N I O N

In this proceeding the Commission is requested to authorize Teddy Pappas and Ruth Demas, partners, doing business as Teddy's Taxi, to sell, and Teddy's Taxi Corporation to purchase a passenger stage operative right and automotive equipment used in transporting passengers, baggage and express between Sacramento and Sacramento Municipal Airport. This operative right was created by Decision No. 28520 in Application No. 20013 and acquired by the sellers pursuant to the authority of this Commission in Decision No. 29923 in Application No. 21315.

It is proposed that the corporation shall issue 60,000 shares of its capital stock of the par value of \$1.00 each, 30,000 shares each to Teddy Pappas and Ruth Demas, in return for the transfer to the corporation of the assets of the partnership and for the assumption by the corporation of liabilities of the partnership in the amount of \$83,836.11. According to the proposed bill of sale attached to the application as Exhibit "A" the assets of the sellers proposed to be transferred to the corporation consist of the following items:

Cash.....	\$ 37,902.93
Automobiles.....	93,245.20
Taxi Meters.....	6,086.30
Equipment.....	1,651.68
Sacramento Baseball Association Stock.....	1,000.00
Sacramento Nuggett Football Stock.....	200.00
Deposit in Escrow.....	500.00
Deposit in connection with property purchase.....	3,250.00
TOTAL	\$143,836.11

Exhibit "1" attached to the application shows that sixty-one units of automotive equipment are proposed to be transferred which have a present book value of \$93,245.20. Meters and miscellaneous shop and office equipment are stated to have a book value of \$7,737.98. The total book value of the equipment and supplies is \$100,983.18. Of the sixty-one units of equipment it is reported that eight, with a depreciated book value of \$26,332.98, are used in the motor carrier operations and that the remainder are used in applicants' taxicab operations in the City of Sacramento. (1)

After full consideration it is found that the public interest would not be adversely affected by approval of the transfer of the operative rights and properties with which we are here concerned. Accordingly the application will be granted. However the action taken herein shall not be construed to be a finding of the value of the properties which will be authorized to be transferred.

Applicant Teddy's Taxi Corporation 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

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(1) Financial reports filed with the Commission show, during 1947, revenues from the motor carrier operations at \$28,494.07 and from the other operations at \$306,077.30.

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

Application having been made to the Commission as indicated herein and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, and that the application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

(1) Teddy Pappas and Ruth Demas, after the effective date hereof and on or before October 31, 1948, may sell and transfer to Teddy's Taxi Corporation the operative rights and properties referred to herein, and Teddy's Taxi Corporation may acquire and thereafter operate the same, and, in payment for said rights and properties and the other properties of Teddy Pappas and Ruth Demas, may assume the payment of indebtedness of \$83,836.11 and may issue stock of the aggregate par value of \$60,000, 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, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

(2) Applicants shall comply with the provisions of General Orders Nos. 79, 80 and 93-A, by filing, in triplicate, and

concurrently making effective, appropriate tariffs and time tables within 90 days from the effective date hereof and on not less than one day's notice to the Commission and to the public.

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

Dated at Los Angeles, California, this 15<sup>th</sup> day of June, 1948.

R. E. Dunsen  
Justin F. Calver  
Harold P. Hule  
Samuel P. Lott  
COMMISSIONERS