

• ORIGINAL

Decision No. 44730

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
L. E. GERMAN, an individual to sell)  
and JEROME LOFGREN, an individual ) Application No. 31637  
to purchase a partnership interest )  
in certain certificated rights. )

O P I N I O N

L. E. German and Jerome Lofgren, who are providing passenger stage service generally between Chico and points immediately adjacent thereto<sup>(1)</sup> and between Chico and Stirling City<sup>(2)</sup> have entered into an agreement, dated May 29, 1950, a copy of which is attached to the application as Exhibit "B", to dissolve their partnership.

Applicant L. E. German requests authority to convey all his right title and interest in and to the partnership assets<sup>(3)</sup> to applicant Jerome Lofgren for \$3,400, payable \$1,000 in cash and \$2,400 by the transfer of a 1948 Chevrolet two-ton truck. Applicant Jerome Lofgren is to assume all partnership debts and liabilities. A financial statement, as of July 14, 1950, filed with the application, sets forth applicant Jerome Lofgren's total net worth at \$97,750, of which \$10,000 is represented by cash on hand.

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(1) (2) These operative rights were created by Decision No. 42056, September 21, 1948, Application No. 29585, and Decision No. 5704, August 26, 1948, Application No. 4018 and transferred to applicants by Decision No. 43967, March 21, 1950, Application No. 31033 and Decision No. 43968, March 21, 1950, Application No. 31028, respectively.

(3) \$525 is allocated for applicant L. E. German's interest in the operative rights and \$2,875 for his net interest in the physical properties of the partnership.

Applicant L. E. German alleges that he is desirous of making such sale so that he may apply all his time and attention to his other business interests.

We find that the public interest will not be adversely affected by approval of the transfer of the operative rights and property with which we are here concerned. The application will be granted. In taking this action we are making no finding of the value of the operative rights and property involved. A public hearing is not necessary.

Jerome Lofgren is hereby placed on 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

An application having been filed and the Commission being of the opinion that the authority requested should be granted,

IT IS ORDERED:

(1) That L. E. German after the effective date hereof

and on or before October 28, 1950, may sell and transfer to Jerome Lofgren the operative rights and property referred to herein and the latter may acquire and thereafter operate the same, such sale and transfer to be made in accordance with the terms of the contract attached to the application as Exhibit "B".

(2) That within 30 days after completion of the transfer herein authorized Jerome Lofgren shall notify the Commission in writing of that fact and within said period shall file with it a true copy of the bill of sale executed by J. E. German to effect the transfer.

(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 60 days after the effective date hereof and on not less than 5 days notice to the Commission and the public.

The effective date of this order shall be 20 days after the date hereof.

Dated at San Francisco, California, this 29<sup>th</sup> day of August, 1950.

R. E. Smith  
Justus F. Gallen

Harold P. Hula

Kenneth Potter  
COMMISSIONERS