

ORIGINAL

Decision No. 44990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of FRANK J. DAHM and C. J. BLACK,)
to sell the interest of FRANK J.)
DAHM, and C. J. BLACK to purchase)
the interest of FRANK J. DAHM in)
an automotive passenger line oper-)
ated between Huntington Beach and)
Santa Ana.)

Application No. 31826

O P I N I O N

Applicants Frank J. Dahm and C. J. Black are partners operating a passenger stage service, between Santa Ana and Huntington Beach, pursuant to authority granted by this Commission in Decisions Nos. 42964 and 43238. By this application they seek authority to sell and transfer the half interest of Frank J. Dahm in the business and assets of the partnership, including the operating right, to the remaining partner, C. J. Black, who will continue to operate the said business and transportation service as an individual under the fictitious firm name and style of Huntington Beach-Santa Ana Stage Line.

The consideration to be paid for said one-half partnership interest is \$1,500, of which \$1,250 represents the value of the equipment and \$250 represents the value of the operative right. Of the purchase price, \$500 has been paid on account, and the balance will be paid within five days after the approval of said sale by this Commission.

As of August 31, 1950, the financial condition of the partnership business was as follows: Tangible assets, \$2,766.15; Liabilities, \$2,260.67; and Net worth, \$505.48. C. J. Black also

owns other property which is not used in the operation of the public utility.

C. J. Black proposes to continue to operate said passenger stage service substantially as heretofore operated.

After full consideration of the matter, the Commission is of the opinion and finds that approval of the proposed sale and transfer would not be contrary to the public interest. Accordingly, the application will be granted. A public hearing is not necessary.

C. J. Black 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 value of the property herein authorized to be transferred.

O R D E R

Application having been made in the above-entitled matter, and the Commission being fully advised in the premises,

IT IS ORDERED:

(1) That Frank J. Dahm and C. J. Black, partners, may sell and transfer to C. J. Black, the operative right, business and assets, referred to in the foregoing opinion, and C. J. Black may acquire and thereafter shall continue to conduct operations under said operative right.

(2) That, within thirty (30) days after the consummation of the transfer herein authorized, C. J. Black shall notify the Commission in writing of that fact and shall, within said period, file with the Commission a true copy of the bill of sale or other instrument of transfer which may be executed to effect said transfer.

(3) That C. J. Black shall comply with the provisions of General Orders Nos. 79 and Part IV of 93-A, by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables within sixty (60) days after the effective date hereof, and on not less than five (5) days' notice to the Commission and the public.

(4) That, if the purchaser acquires said operative right and property, he may charge to Account No. 24, Intangible Property, not more than \$50 of the purchase price of the operative right.

(5) That the authorization herein granted shall lapse and become void if not executed within six (6) months from the effective date hereof.

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

Dated at San Francisco, California, this 8th day of November, 1950.

R. T. Anderson
Justin F. Caswell
Geoff Knull
Harold A. Kula
Frederick P. Patten
COMMISSIONERS