

ORIGINAL

Decision No. 45501

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
for Transfer of the Certificate	:	
of Public Convenience and Neces-)	
sity of the CARMEL VALLEY BUS LINE	:	Application
to JOE'S TAXI, INC., a corporation,)	No. 32220
and for Permission for said Corpora-	:	
tion to Issue Shares of Capital)	
Stock.	:	
-----)	

O P I N I O N

This application has been filed by Nellie Oliveiro, Jean Geisen, Geo. A. Norton and Joe's Taxi, Inc. It shows that Joe's Taxi, Inc. is a California corporation organized on January 5, 1951, for the purpose, among other things, of acquiring and operating a taxicab business in Carmel, known as Joe's Taxi and a motor bus line between Carmel and Rancho Carmelo and Robles Del Rio Lodge and intermediate points in Carmel Valley, known as the Carmel Valley Bus Line. At this time, applicants ask the Commission to make an order authorizing the transfer to the corporation of the certificate of public convenience and necessity granted by Decision No. 35608, dated July 24, 1942, in Application No. 25047, permitting the operation of said Carmel Valley Bus Line, and the assumption of indebtedness and issue by the corporation of 300 shares of common stock without par value.

The operations of Joe's Taxi and Carmel Valley Bus Line formerly were conducted by Joe Oliveiro, now deceased. It is reported that the Superior Court of the State of California in and for the County of Monterey approved the sale, as of November 1, 1950, of the interest of said Joe Oliveiro in said businesses to Jean Geisen

and Geo. A. Norton; that thereafter a decree of distribution was entered distributing all the assets remaining in the estate of Joe Oliveiro, after payment of claims and expenses, to Nellie Oliveiro, the surviving spouse of the decedent and formerly the administratrix of the estate; and that said Geisen and Norton, subject to the approval of the Commission, have acquired all the right, title and interest of said Nellie Oliveiro individually and as surviving spouse and sole distributee of the estate.

It appears that Geisen and Norton formed a copartnership as of November 1, 1950, and since have continued the operations, including those of Carmel Valley Bus Line. (1) As of December 31, 1950, they report their assets and liabilities as follows:

<u>Assets</u>	
Current assets	\$ 2,497.28
Prepaid expenses	3,565.48
Equipment and fixtures -	
Cost	\$23,013.69
Less-Depreciation reserve	<u>210.57</u>
Net	22,803.12
Goodwill	4,768.81
Deposits and organization expense	<u>406.85</u>
Total	<u>\$34,041.54</u>
<u>Liabilities and Net Worth</u>	
Purchase contracts	\$13,037.47
Current liabilities	6,317.56
Notes payable to Jean Geisen	2,350.00
	<u>21,705.03</u>
Partners' capital accounts	<u>12,336.51</u>
Total	<u>\$34,041.54</u>

The application shows that Geisen and Norton have arranged to transfer their properties and business to the corporation

(1)

For the months of November and December, 1950, the partners reported revenues of \$5,201.94 with a net loss of \$2,051.00. They state, however, that the operations are seasonal in nature, the territory served being a resort area, and that the most profitable period extends from April into October.

in consideration for the assumption by the corporation of the outstanding liabilities and the issue to them of 300 shares of stock, and that said Geisen on February 28, 1951, loaned the corporation the sum of \$4,000 to be evidenced by a one-year 6% note.

The Commission has considered this matter and is of the opinion that the transfer as proposed will not be adverse to the public interest and that the money, property or labor to be procured or paid for through the issue of said 300 shares of stock is reasonably required by Joe's Taxi, Inc. for the purpose indicated herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

Joe's Taxi, 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.

O R D E R

The Commission having considered the above entitled application and being of the opinion that a public hearing thereon is not necessary and that the requests of applicants should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED that Nellie Oliveiro, Jean Geisen and Geo. A. Norton be, and they hereby are, authorized to transfer

their right, title and interest in and to the operative rights represented by the certificate of public convenience and necessity granted by Decision No. 35608, dated July 24, 1942, in Application No. 25047, and in the operative equipment used in the operations of Carmel Valley Bus Line, to Joe's Taxi, Inc., in accordance with the terms and conditions set forth in this application.

IT IS HEREBY FURTHER ORDERED that Joe's Taxi, Inc., in payment for the assets of the partnership business of Jean Geison and Geo. A. Norton, be, and it hereby is, authorized to assume the payment of indebtedness of Jean Geison and Geo. A. Norton, as set forth in the application, and to issue not exceeding 300 shares of its common stock.

The authority herein granted is subject to the following conditions:

1. The action taken herein shall not be construed to be a finding of the value of the rights and equipment herein authorized to be transferred.
2. On not less than five (5) days' notice to the Commission and to the public, applicants shall comply with the provisions of General Orders Nos. 79 and 80 and Part 19 of General Order No. 98 by filing, in triplicate, and concurrently making effective, appropriate tariffs and time schedules.
3. Joe's Taxi, Inc. shall file with the Commission a report, or reports, of the issue of the common stock herein authorized as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

This order is effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 3rd day of April, 1951.

R. Z. [Signature]
Justice J. Cassin
Harold K. Hild
Francis H. Potter
John E. Mitchell
Commissioners