

**ORIGINAL**Decision No. 47206

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 RUSSELL B. MINEAU, LEONARD J. RONG, )  
 BENJAMIN D. CONRAD, JR., J. VARD LOOMIS, )  
 SALVADORE D. REYES, a copartnership )  
 doing business as ARROYO GRANDE TRUCK )  
 COMPANY, and MAUD H. LOOMIS, owner of )  
 the interest of CLINTON E. LOOMIS, )  
 deceased, in said partnership, Trans- )  
 feror, to sell, and EDWIN F. NELSON and )  
 EDWIN M. TAYLOR, a copartnership doing )  
 business as ARROYO GRANDE TRUCK COMPANY, )  
 to purchase an automotive freight line )  
 operated between Santa Barbara and San )  
 Luis Obispo Counties and Los Angeles, )  
 San Pedro, Wilmington, Vernon, South )  
 Gate, Huntington Park, Long Beach, )  
 Inglewood, Glendale, Pasadena, San Jose, )  
 San Francisco, South San Francisco, )  
 Oakland, San Leandro, Berkeley and )  
 Emeryville. )

Application No. 33360

O P I N I O N

By Decision No. 44092, dated April 25, 1950, Russell B. Mineau, Leonard J. Rong, Clinton E. Loomis, J. Vard Loomis, Benjamin D. Conrad, Jr., and Salvadore D. Reyes, copartners, were granted a certificate of public convenience and necessity authorizing the transportation of limited commodities (fresh fruits and vegetables, empty containers, feed and fertilizer), serving named places and territories along designated routes as more specifically set forth in said decision.

(1)  
 By this application, said partners request authority to sell and transfer said certificate and other operating property to Edwin M. Taylor and Edwin F. Nelson, as copartners, for a consideration of \$72,000.

(1) Clinton E. Loomis died in April 1951, and his widow, Maude H. Loomis, having acquired her husband's interest by virtue of a decree of distribution in the Superior Court of the County of San Luis Obispo, has joined in this application.

In addition to the certificate, the property to be sold, and its alleged estimated fair market value, is as follows: eight tractors, six trucks and 11 units of trailer equipment, \$54,090; land, building and scales, \$13,600; machinery and equipment, \$980; furniture and fixtures, \$710; tires and parts inventory, \$2,620; or a total value of \$72,000. The cost of said property is stated to be \$115,030.84, and depreciation, as of April 4, 1952, is placed at \$73,680.65, leaving a net book value of \$41,350.19 (Exhibit B attached to application).

The terms of the sale are \$21,000 payable upon approval of this Commission, \$8,500 or more payable January 1, 1953, and the balance in yearly instalments of \$8,500 or more, on or before the first day of November, beginning November 1, 1953, and continuing until the principal and interest on the unpaid balances, at the rate of six per cent per annum, have been paid.

A profit and loss statement filed with this application (Exhibit D) shows that the sellers, for the period April 1, 1951, to March 31, 1952, made a net profit of \$7,881.58 on a gross revenue of \$157,977.49, operating expenses of \$145,351.19, and an adjusted depreciation of \$4,744.72.

The purchasing partners show a financial condition as follows (Exhibits F and G):

	<u>Edwin M. Taylor</u>	<u>Edwin F. Nelson</u>
Tangible Assets	\$263,903.45	\$13,700.00
Liabilities	<u>71,400.00</u>	<u>5,200.00</u>
Net Worth	192,503.45	8,500.00

Having fully considered the matter, and it appearing that the proposed sale and transfer is not adverse to the public interest, the application will be granted. A public hearing is not necessary.

The action taken herein shall not be construed to be a finding of value of the property herein authorized to be transferred, nor to be a finding of value of any other property hereinabove mentioned.

Edwin M. Taylor and Edwin F. Nelson are 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

Application having been made, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED:

(1) That Russell B. Mineau, Leonard J. Rong, Maud H. Loomis, J. Vard Loomis, Benjamin D. Conrad, Jr. and Salvadore D. Reyes, copartners, may sell and transfer, on or before September 30, 1952, to Edwin M. Taylor and Edwin F. Nelson, copartners, the operating right and property hereinabove described, said sale and transfer to be made upon the terms and conditions of the agreement of sale filed as Exhibit "A" with this application. Edwin M. Taylor and Edwin F. Nelson are authorized to purchase said operating right and property and incur an indebtedness in part payment therefor, as set forth in said agreement. In the opinion of this Commission, the money or property to be purchased or paid for through such evidence

of indebtedness is reasonably required by Edwin M. Taylor and Edwin F. Nelson for the purpose indicated herein.

(2) That applicants shall file in triplicate, and concurrently make effective, appropriate tariffs and time schedules, within sixty (60) days after the effective date hereof and upon not less than one (1) day's notice to the Commission and the public.

(3) That, in the event the authority to sell and purchase is exercised, Edwin M. Taylor and Edwin F. Nelson shall notify the Commission in writing of that fact within thirty (30) days after the date of sale.

(4) That the authority herein granted will become effective upon the payment of the fee prescribed by Section 1904(b) of the Public Utilities Code. ✓

Dated at San Francisco, California, this 27<sup>th</sup> day of May, 1952.

R. J. [Signature]  
President  
Justice J. [Signature]  
Harold [Signature]  
[Signature]  
Robert E. [Signature]  
Commissioners

