

**ORIGINAL**

Decision No. 47443

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 FRANK ATKINSON, dba South Los Angeles )  
 Transportation Co., for permission to )  
 sell and assign certain operative )  
 rights and property and to withdraw )  
 from the rendering of service within )  
 the cities of Los Angeles and Compton, )  
 California, and between said cities, )  
 and of SOUTH LOS ANGELES TRANSPORTATION )  
 CO., a corporation, for permission to )  
 exercise said operating rights and for )  
 an order authorizing the issuance of )  
 certain securities. )

Application No. 33431

O P I N I O N

Frank Atkinson, an individual doing business as South Los Angeles Transportation Co., requests authority to sell and transfer to South Los Angeles Transportation Co., a corporation, his passenger stage operating rights and the business and assets pertaining thereto. The corporation seeks authority to acquire and operate same and to issue to Frank Atkinson and Herbert Atkinson an aggregate of 1,006 shares of stock in payment for said rights and business. Frank Atkinson will receive 803 shares and Herbert Atkinson 203 shares.

The corporation was organized under the laws of this State on January 2, 1952, with an authorized capital of \$250,000 divided into 2,500 common shares of the par value of \$100 each.

The operating rights which are to be transferred were created by Decision No. 35413, dated May 26, 1942, in Application No. 14219, Second Supplemental. Subsequent rights were issued to Frank Atkinson by Decisions Nos. 35849, 37229, 39854, 40694 and 40840. Present routes are fully defined in Decision No. 40694, dated September 10, 1947.

In addition to the said operating rights, the following assets and liabilities are to be transferred (Exhibit No. 4 filed with application):

## Assets:

Cash	\$6,575.59
Deposits	2,145.00
Advances to employees	448.08
Inventories (parts for revenue equipment)	1,825.79
Revenue equipment	99,750.00
Service car and other autos	4,149.40
Furniture and fixtures	<u>909.92</u>

Total Assets	\$115,803.78
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## Liabilities:

Payroll taxes	\$1,575.59
Advances, Frank Atkinson	11,628.19
Notes payable	<u>2,000.00</u>

Total Liabilities	<u>15,203.78</u>
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Net Tangible Assets	\$100,600.00
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No value has been assigned to the operating rights.

The bank note is due this year and the obligation to Frank Atkinson is current. No long-term indebtedness will be assumed.

The revenue equipment to be transferred consists of 12 buses having a capacity of 27, 32 or 36 passengers (Exhibit No. 8 filed with application).

Frank Atkinson now has a joint fare and transfer agreement with Landier Transit Co., Inc., as authorized by Decision No. 41493. It is proposed to continue with similar arrangements.

In 1951 the seller reported operating revenues and expenses to be \$184,913.73 and \$165,325.15, respectively. Net operating profit was \$19,588.58.

The purpose of this transfer is to take advantage of the corporate form.

In our opinion the assets are sufficient to warrant the issue of stock in the amount requested.

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.

O R D E R

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

IT IS ORDERED as follows:

- (1) Frank Atkinson, an individual, may sell and transfer, on or before September 30, 1952, to South Los Angeles Transportation Co., a corporation, the operative rights and property hereinabove described, and South Los Angeles Transportation Co. is authorized to purchase said operative rights and property and continue to operate the passenger stage service upon the terms and conditions as set forth in the decisions hereinabove described.
- (2) South Los Angeles Transportation Co., a corporation, after the effective date hereof, and on or before September 30, 1952, may issue \$100,600 par value of its common stock in payment for the properties of Frank Atkinson herein authorized to be transferred, it being the opinion of the Commission that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose set forth herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
- (3) Applicant 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 five (5) days' notice to the Commission and the public.
- (4) South Los Angeles Transportation Co., within thirty (30) days after the issue of stock herein authorized, shall file with the Commission a report of the issue of stock as required by the Commission's General Order No. 24-A, which order, in so far as applicable, is made a part of this order.
- (5) The action taken herein shall not be construed to be a finding of value of the property herein authorized to be transferred.

- (6) South Los Angeles Transportation Co., a corporation, and Landier Transit Co., Inc., a corporation, are authorized to enter into a joint fare and transfer agreement substantially upon the terms and conditions as set forth in Application No. 29194, filed March 28, 1948, and tariff filing, incorporating said fare and transfer arrangements, may be made effective upon not less than five (5) days' notice to the Commission and to the public.

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

Dated at San Francisco, California, this 8<sup>th</sup> day of July, 1952.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners