

ORIGINALDecision No. 49184

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ISABEL HOWARD and BEN E. NORDMAN,)
 partners, doing business under the)
 style and business name of HARBOR)
 TRANSIT, to sell and PIONEER TRANSIT)
 COMPANY, a California corporation,)
 to purchase passenger, express and)
 mail, automotive bus service between)
 the City of Oxnard on the one hand)
 and Port Huenece, Silver Strand)
 Beach, Hollywood Beach and Point Mugu)
 on the other hand and intermediate)
 points.)

Application No. 34674

O P I N I O N

Isabel Howard and Ben E. Nordman, copartners, doing business as Harbor Transit, now operate a passenger stage service for the transportation of persons and their baggage, or express, limited to shipments of 100 pounds or less, when such baggage or express is transported incidental to the transportation of passengers and only on passenger-carrying vehicles between the City of Oxnard, on the one hand, and Port Huenece, Silver Strand Beach, Hollywood Beach and Point Mugu, on the other hand, and intermediate points as more specifically set forth in Decisions Nos. 43678, 44063, 44461 and 45452.

Pioneer Transit Company is a California corporation engaged in business at Oxnard, California, as a radial highway common carrier and other related transportation and storage activities in association with Pioneer Truck and Storage Company, a radial highway common carrier, contract carrier, city carrier and household goods carrier. It is alleged that Pioneer Transit Company, purchaser, "is wholly owned by Harry W. Hamilton, Jr., Margaret H. Hamilton, Charles Hubert Catlin and Vera K. Catlin" although the

application and financial statements filed therewith indicate that said corporation has not heretofore issued any of its shares of capital stock. The said four named persons and Ben E. Nordman are its five directors but the latter has no financial interest in the company. It was incorporated on April 6, 1953, with an authorized capital stock of \$200,000 divided into 2,000 shares of the par value of \$100 each.

By this application Harbor Transit requests authority to sell and transfer to Pioneer Transit Company, a corporation, the above-mentioned operating rights and other property for considerations as follows:

Operating rights and good will	\$ 1,250
Eight buses and one pickup truck	12,500
Miscellaneous parts, tools, boxes	<u>1,250</u>
	\$15,000 (1)

The purchase price, with interest at the rate of five per cent per annum on deferred balances, is payable as follows: One thousand dollars upon approval of the sale; one-fifth of the unpaid balance, plus accrued interest, one year from the effective date of approval, and one-fifth each succeeding year until the total unpaid balance, plus interest, has been paid.

As of July 31, 1953, the financial condition of Harbor Transit, copartnership, showed total assets of \$10,511.76 and total liabilities of \$1,522.61, or a net worth of \$8,989.15 represented by capital investment of \$13,423.91 and deficit of \$4,434.76.

Pioneer Transit Company as of May 31, 1953, had tangible assets of \$66,181.37 and intangible assets of \$627.48. Total liabilities were \$32,120.16, resulting in a net worth of \$34,688.69,

(1) The tangible assets are listed separately and in detail in the agreement of sale filed with the application as Exhibit "A".

represented by a capital stock liability of \$40,000 and a deficit of \$5,311.31. It is alleged that Pioneer Transit Company had been in operation only one month and for that reason there was little income for the period.

Applicant Pioneer Transit Company proposes to continue the service of transporting passengers, baggage and express over the above-described routes on the same schedules as are now operated by Harbor Transit and at the same fares and rates, and proposes to adopt the name of Harbor Transit for the conduct of said operations.

The sellers allege that they cannot continue to supervise or personally manage the business and that operation would not be compensable if they had to hire a manager; that one partner is actively engaged in the practice of law and the other no longer resides in Oxnard. On the other hand, the purchasers have been actively engaged in the trucking and warehousing business in Oxnard and vicinity and have the experience, ability and financial requirements to continue the said operation.

The Commission 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.

O R D E R

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

(2) Operating authority granted to Harbor Transit does not permit the transportation of mail as such.

IT IS ORDERED:

(1) That Isabel Howard and Ben E. Nordman, copartners, doing business as Harbor Transit, may sell and transfer, on or before November 30, 1953, to Pioneer Transit Company, a California corporation, the operating rights and property hereinabove described, said sale to be made substantially upon the terms and conditions of the agreement of sale filed as Exhibit "A" with this application, and Pioneer Transit Company is authorized to acquire and continue to operate the said passenger stage service and business as heretofore authorized by this Commission and to incur the long-term indebtedness referred to in this application, it being the opinion of the Commission that the money, property or labor to be procured or paid for through such indebtedness is reasonably required by Pioneer Transit Company for the purpose of acquiring said rights and property and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

(2) That applicants shall file in triplicate, and concurrently make effective, appropriate tariffs and timetables within sixty days after the effective date hereof and upon not less than five days' notice to the Commission and to the public.

(3) That Pioneer Transit Company shall keep its accounting and operating records in such a manner that it will enable it to file with the Commission the "passenger stage corporation" and other reports required to be filed by the Commission.

(4) That in the event the authority hereinabove granted is exercised, Pioneer Transit Company shall notify the Commission in writing of the fact within thirty days after date of transfer.

(5) That the authority herein granted will become effective when Pioneer Transit Company has paid the minimum fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 6th day of October, 1953:

R. F. [Signature]
 President

Justus J. Callender

Samuel D. Potter

[Signature]

Commissioners

PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA

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By *M. Cain*