

October 6, 1953, in Application No. 32276, and 31 trucks and tractors, 43 semi-trailers and 23 full trailers, together with dollies, service cars and other equipment. The following statement shows the cost of the assets to be transferred to the corporation, the liabilities to be assumed, and the resultant capital investment as of November 30, 1953:

<u>Assets</u>	
Current assets -	
Cash and deposits	\$25,688.06
Accounts receivable	37,106.04
Prepayments	8,041.46
Materials and supplies	<u>2,355.00</u>
Total current assets	\$ 73,190.56
Tangible property, less depreciation reserve	121,425.19
Intangible property	<u>4,523.48</u>
Total	<u>\$199,139.23</u>
<u>Liabilities and Capital</u>	
Current liabilities	\$ 29,053.58
Equipment obligations	<u>86,240.25</u>
Total liabilities	115,293.83
Capital	<u>83,845.40</u>
Total	<u>\$199,139.23</u>

It appears that the excess of the reported capital over the par value of the stock to be issued will be carried by the corporation on its books as capital or paid-in surplus.

From a review of this application it appears that the transfer will not result in any change in the management of the business or in the service to the public and we are of the opinion, therefore, that the transfer will not be adverse to the public interest and should be authorized. In making this order we wish to place applicants 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 as to the number of rights which may be given.

The action taken herein shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred.

ORDER

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required by applicant corporation for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. R. Karlson and G. Karlson, doing business as Karlson Bros. Trucking Service, may transfer to Karlson Bros. Trucking Service, a corporation, the certificate of public convenience and necessity granted to them by Decision No. 49192, dated October 6, 1953, and the equipment to which reference is made in this proceeding.

2. Karlson Bros. Trucking Service, a corporation, in payment for such certificate and equipment, may assume the outstanding indebtedness of R. Karlson and G. Karlson, doing business as Karlson Bros. Trucking Service, and may issue not exceeding \$80,000 par value of its common stock.

3. Within 60 days after the effective date hereof and on not less than five days' notice to the Commission and to the public, Karlson Bros. Trucking Service, a corporation, shall file, in triplicate, and concurrently make effective, appropriate tariffs and time tables.

4. Karlson Bros. Trucking Service, a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 30th day of December, 1953.

R. F. J. [Signature]
President

[Signature]

[Signature]
Commissioners