



and Los Angeles territory, on the other hand.<sup>1/</sup> In addition, the partnership has been authorized to establish joint rates and through routes with other carriers.<sup>2/</sup> The partnership has reported its operating revenues for the year 1953 in the amount of \$1,417,392 and net income before taxes at \$46,928. In Exhibit A it has submitted a pro forma balance sheet setting forth the capital investment at \$140,663.

The application shows that the partners desire to incorporate their business and that they propose to transfer their properties and operative rights to a new corporation which they have caused to be organized, the transfer to be made subject to outstanding liabilities in exchange for 1,396 shares of stock of the total par value of \$139,600.

It appears that the proposed transfer will result in no change in the rates or service and it therefore is our opinion that the transaction will not be adverse to the public interest.

Applicants 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

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<sup>1/</sup> The highway common carrier operative rights proposed to be transferred were acquired by applicant partnership under Commission authorization as follows:

Decision No. 41600, dated May 18, 1948, Application No. 29212  
Decision No. 43003, dated June 14, 1949, Application No. 27301  
Decision No. 44982, dated November 8, 1950, Application No. 27301  
Decision No. 46432, dated November 20, 1951, Application No. 31584  
Decision No. 49102, dated September 15, 1953, Application No. 34022.

<sup>2/</sup> The joint rates and through routes were authorized by the Commission by the following decisions:

Decision No. 47082, dated April 29, 1952, Applications No. 32725,  
No. 32852 and No. 33009  
Decision No. 47714, dated September 16, 1952, Application No. 33658  
Decision No. 48372, dated March 17, 1953, Application No. 33838  
Decision No. 49576, dated January 18, 1954, Application No. 34926.

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.

#### O R D E R

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. A. D. Woolley and Ralph Woolley, copartners doing business as Shippers Express Company, may transfer their properties and operative rights to Shippers Express Company, a corporation.
2. Shippers Express Company, a corporation, in payment for such properties and operative rights, may assume the payment of outstanding liabilities and issue not to exceed \$139,600 par value of its common capital stock.
3. Shippers Express Company, a corporation, may be substituted for A. D. Woolley and Ralph Woolley as a party to joint rates and through routes to which the partnership presently is a party.

4. On not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the common carrier operations here involved to show that A. D. Woolley and Ralph Woolley, copartners doing business as Shippers Express Company, have withdrawn or canceled and Shippers Express Company, a corporation, has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the filing and construction of tariffs set forth in the Commission's General Order No. 80.

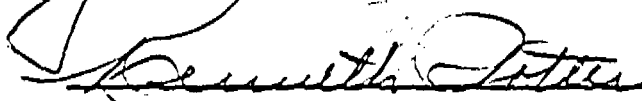
5. Shippers Express Company, a corporation, shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

6. The authority herein granted will become effective 20 days after the date hereof.

Dated at Los Angeles, California, this 27<sup>th</sup> day of July, 1954.

  
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President

  
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Commissioners