

ORIGINAL

Decision No. 57869

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application
of JOHN E. STAUDT for authority to
transfer partnership interest in a
highway common carrier business to
RICHARD W. THORNHILL.

}
} Application No. 40204
}

O P I N I O N

John E. Staudt requests authority to sell his partnership interest in the T & S Motor Express to his copartner, Richard W. Thornhill.

Applicants presently conduct a highway common carrier service for the transportation of certain specified commodities generally between San Francisco and points on U. S. Highway 101 to and including Santa Rosa, as well as to Lake County points. Said operative rights were created by Decision No. 52217 in Application No. 36120.

According to the terms of an agreement attached to the application, the seller will transfer his interest for a consideration of \$10,000. The agreement, as supplemented by a letter dated May 27, 1958, calls for a cash payment of \$2,500 and a promissory note for \$7,500. The note is to be paid in monthly installments of not less than \$500 principal plus interest at the rate of six percent per annum.

According to the application the physical assets of the business exceed the book value by approximately \$10,000. For the year 1957 the partnership realized a net profit of \$11,221.23. The purchaser indicates a present net worth of \$19,610.

After consideration, the Commission is of the opinion and so finds that the proposed transfer will not be adverse to the public interest and that the money, property or labor to be procured or paid for by the issue of the evidence of indebtedness, herein authorized, is reasonably required by applicants for the purpose specified herein, and that the expenditure for such purpose is not, in whole or in part, reasonably chargeable to operating expense or to income. 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. Richard W. Thornhill is hereby placed on 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. A public hearing does not appear to be necessary.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

(1) That on or before January 1, 1959, John E. Staudt may sell and transfer, and Richard W. Thornhill may purchase and acquire, the operative rights and property referred to in and according to the terms of the agreement attached to the application.

(2) That within thirty days after the consummation of the transfer herein authorized, Richard W. Thornhill shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

(3) That on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the operations here involved to show that John E. Staudt has withdrawn or canceled, and Richard W. Thornhill has adopted or established as his own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80.

(4) That Richard W. Thornhill may issue a note for \$7,500 and may assume outstanding liabilities of John E. Staudt in accordance with the terms of the agreement attached to the application.

(5) That this order shall become effective when applicants have paid the fee of \$25 as required by Section 1904 of the Public Utilities Code.

Dated at San Francisco, California, this 29th day of July, 1958.

E. L. Fox
President
Richard W. Thornhill
Ralph Waterman
Herbert J. ...
Commissioners

