

**ORIGINAL**Decision No. 58867

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ARTHUR NAY, )  
 ARTHUR NAY, JR., and MAX D. HAYES, to sell, )  
 and CALIFORNIA BUS LINES, INC., a California )  
 corporation, to purchase, the interest of Cal- )  
 ifornia Coach Lines, operating between River- )  
 side, California, and March Air Force Base, )  
 area known as March Field in Riverside )  
 County, California. )

Application  
No. 41235O P I N I O N

Arthur Nay, Arthur Nay, Jr., and Max D. Hayes, doing business as California Coach Lines, render service as a passenger stage corporation between Riverside and March Field, California, serving intermediate points.<sup>1/</sup> They and the California Bus Lines, Inc., a California corporation, request (1) authority to transfer the passenger stage authority to California Bus Lines, Inc., (2) authority to transfer the physical assets of the California Coach Lines to the corporation, and (3) authority to issue stock of the corporation in exchange for the operating rights and assets of the company.

California Bus Lines, Inc., is a California corporation incorporated by Arthur Nay, Arthur Nay, Jr., and Max D. Hayes, on May 1, 1959, for the primary purpose of engaging in the transportation of persons and property by passenger stage, and acquiring the operative rights granted by Decision No. 49867, supra. The officers of the corporation are Arthur Nay, president, Max D. Hayes, vice president, and Arthur Nay, Jr., secretary and treasurer. The

<sup>1/</sup> Decision No. 49612, dated January 26, 1954, in Application No. 34900; Decision No. 49867, dated March 30, 1954, in Application No. 35206.

corporation is authorized to issue 50,000 shares of capital stock having a par value of \$1.00 per share. It is proposed that the corporation issue thirty shares of the said stock of the corporation to the following persons:

Ten shares to Arthur Nay and Lena J. Nay, husband and wife, as joint tenants;

Ten shares to Arthur Nay, Jr., and Carlene Nay, husband and wife, as joint tenants;

Ten shares to Max D. Hayes and Ellen A. Hayes, husband and wife, as joint tenants.

Such shares will be issued in exchange for the assets of the sellers. The tangible assets, as of December 31, 1958, included \$6,749.29, current assets, and \$23,266.15 in tangible property including revenue equipment having a depreciated value of \$19,887.06. The current liabilities as of the same date were \$9,616.79, and the company owed \$11,359.00 for equipment obligations.

The corporation will take over all assets and assume all obligations of the sellers.

The officers of the corporation are the partners who are presently operating the business. They will continue to operate the business for the corporation.

After consideration the Commission is of the opinion and finds that the proposed sale and transfer will not be adverse to the public interest, and that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required for the purposes set forth herein, and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income. A public hearing does not appear to be necessary. No authorization is herein given to capitalize goodwill.

O R D E R

An application having been filed, and the Commission being informed in the premises and having made the foregoing findings, and based on said findings,

IT IS ORDERED:

(1) That on or before August 31, 1959, Arthur Nay, Arthur Nay, Jr., and Max D. Hayes, may sell and transfer to California Bus Lines, Inc., a California corporation, and the latter corporation may purchase and acquire the operative rights described in the opinion herein, as well as the property heretofore referred to.

(2) That in providing service pursuant to the authority herein authorized to be transferred, California Bus Lines, Inc., shall comply with and observe the following service regulation:

Within thirty days after the effective date hereof, it shall file a written acceptance of the certificate herein authorized to be transferred. By accepting the certificate of public convenience and necessity herein authorized to be transferred it is placed on notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 98. Failure to file such reports, in such form and at such times as the Commission may direct, or to comply with and observe the provisions of General Order No. 98, may result in a cancellation of the operating authority hereby transferred.

(3) That within thirty days after the consummation of the transfer herein authorized, California Bus Lines, Inc., 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.

(4) That on not less than five days' notice to the Commission and to the public, currently effective 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 operation here involved, to show that Arthur Nay, Arthur Nay, Jr., and

Max D. Hayes, have withdrawn or cancelled, and California Bus Lines, Inc., has adopted or established as its 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. 79.

(5) That California Bus Lines, Inc., may assume the outstanding ✓  
equipment obligations of Arthur Nay, Arthur Nay, Jr., and Max D. ✓  
Hayes, and may issue not to exceed thirty shares of its \$1.00 par ✓  
value stock to the persons and for the purposes specified herein,  
and shall file with the Commission monthly reports as required by  
General Order No. 24A, which order, insofar as applicable, is hereby  
made a part of this order.

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

Dated at San Francisco, California, this 11th  
day of August, 1959.

Ernest All Rago  
President  
Edith E. Dittus  
E. Lynn Fox  
Theodore J. J. J.  
Commissioners