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Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

PRICKETT TRANSPORTATION CO., a Corporation, to sell and transfer its Permits, Highway Common Carrier Certificate and Properties to JAKE STOKES, an Individual,

and of JAKE STOKES to issue Evidences of Indebtedness in the form of a Promissory Note and Chattel Mortgage.

Application No. 44584  
Filed June 25, 1962

O P I N I O N

This is an application for an order authorizing Prickett Transportation Co., a corporation, to transfer operative rights and equipment to Jake Stokes.

The application shows that Prickett Transportation Co. is engaged in the operation of motor trucks for the transportation of property, that George W. Prickett, the president of the corporation and the owner of all its outstanding shares of stock, has concluded to retire from business and to dissolve the corporation, and that arrangements have been made to sell the existing operative rights and equipment to Jake Stokes for the sum of \$42,000. Under the terms of the agreement of sale, filed as Exhibit A, Mr. Stokes will pay \$10,000 in cash, will assume an existing mortgage of

chattels in the amount of \$7,518.86, and will issue to the corporation a promissory note in the principal amount of \$24,481.14 payable within four years after its date with interest at the rate of 6 percent per annum.

The operative rights to be transferred, according to the agreement, include a certificate of public convenience and necessity which was granted by the Commission by Decision No. 60843, dated October 4, 1960, in Application No. 42383, and also radial and contract carrier permits and operative rights granted by the Interstate Commerce Commission. The tangible properties included in the transaction consist of eight tractors and eleven trailers, together with shop and office equipment and supplies.

The application further shows that Jake Stokes has been engaged in the highway carrier business in California for many years, as well as in other business undertakings, and that his reported net worth is substantial in amount. After acquiring the Prickett operation he intends to retain the present personnel, to utilize the same terminal and office facilities, and to continue the present operations. Upon reviewing the proposed transaction we find and conclude that applicant Jake Stokes has the financial resources to undertake the acquisition and operation of the business of Prickett Transportation Co. without interfering with the

service to the public and that the transfer will not be adverse to the public interest. We will enter our order granting the application.

In approving the transaction we place Jake Stokes 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. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled 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. The authority granted is for the transfer only of the certificate of public convenience and necessity to operate as a highway common carrier. A separate application must be filed for authority to transfer the highway permits.

O R D E R

The Commission has considered the above-entitled matter, has determined that a public hearing is not necessary, and is of the opinion 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 note herein authorized is reasonably required by Jake Stokes 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 ORDERED as follows:

1. On or before December 31, 1962, Frickett Transportation Co., a corporation, may sell, assign and transfer and Jake Stokes may purchase and acquire, the certificate of public convenience and necessity granted by Decision No. 60843, dated October 4, 1960, in Application No. 42383, and the equipment and assets set forth in this application.

2. Jake Stokes, in part payment for such properties, may issue his promissory note in the principal amount of not to exceed \$24,481.14 and may assume the payment of an outstanding chattel mortgage in the amount of \$7,518.86, under the terms set forth in this application.

3. Within thirty days after the consummation of the transfer herein authorized, Jake Stokes 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. Applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the common carrier operations here involved to show that Prickett Transportation Co. has withdrawn or canceled, and Jake Stokes has adopted or established, as his own, said rates, rules and regulations. The tariff filings shall be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and to the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-A.

5. This order shall become effective when Jake Stokes 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 31<sup>st</sup> day of JULY, 1962.

George H. Grover  
President

[Signature]

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[Signature]

Fredrick B. Hallock  
Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA

**PAID**

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By [Signature]