

ORIGINAL

Decision No. 81999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MICHAEL A. KADLETZ  
and PAUL A. KADLETZ, dba PINK BUS  
LINES, for authority to transfer a  
certificate and assets to PINK BUS  
LINES INCORPORATED, a corporation.

Application No. 54088  
(Filed June 6, 1973)

OPINION AND ORDER

Michael A. Kadletz and Paul A. Kadletz operate a passenger stage corporation under the name of Pink Bus Lines by virtue of a certificate of public convenience and necessity issued in Decision No. 78748 in Application No. 52373 and seek approval to transfer the certificate and assets of Pink Bus Lines to Pink Bus Lines Incorporated, a newly formed California corporation.

The certificate authorizes bus operations subject to certain restrictions as follows:

Commencing at Beach Boulevard (State Highway 39)  
and Whittier Boulevard, La Habra, thence via  
Beach Boulevard to Pacific Coast Highway (State  
Highway 1), Huntington Beach.

The property to be transferred consists of five buses, a pickup truck, a trailer used as an office, cash, accounts receivable, and intangibles.

Under the transfer agreement the transferee corporation, owned in equal shares by its president, Michael A. Kadletz, and vice president, Howard Ahmanson, will assume approximately \$6,522 of the partnership liabilities. The remaining partnership liabilities of approximately \$11,553 will be assumed entirely by Paul A. Kadletz, with Howard Ahmanson paying Paul A. Kadletz \$22,500 for the latter's interest in the partnership assets.

The transfer agreement provides that Howard Ahmanson will advance \$15,000 as a loan on liberal terms to Pink Bus Lines Incorporated upon the transfer of the assets and certificate to the corporation. Mr. Ahmanson assertedly has extensive real estate and financial holdings.

During the period of January through October 1972 the partnership's bus operations resulted in a net profit of \$8,541. On October 31, 1972 the partnership's business had a net worth of \$11,964.

Applicants assert that upon approval of the transfer Pink Bus Lines Incorporated will continue the service previously rendered by the partnership on a significantly improved basis and that approval of the transfer will result in the improvement of the financial structure of the operation, lending greater assurance to the continued operations of a service needed by the public.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest and concludes that it should be authorized. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, the revocation of the certificate presently held by Paul A. Kadletz and Michael A. Kadletz, dba Pink Bus Lines, and the issuance of a certificate in appendix form to Pink Bus Lines Incorporated.

The Commission further finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

Pink Bus Lines Incorporated is 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. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. 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.

O R D E R

IT IS ORDERED that:

1. On or before March 15, 1974, Paul A. Kadletz and Michael A. Kadletz may sell and transfer the operative rights and property referred to in the application to Pink Bus Lines Incorporated.
2. Within thirty days after the transfer the purchaser shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

3. Purchaser shall amend or reissue the tariffs and timetables on file with the Commission, naming rates and rules governing the common carrier operations transferred to show that it has adopted or established, as its own, the rates and rules. The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the transfer. The tariff and timetable filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79-Series and 98-Series. Failure to comply with the provisions of General Orders Nos. 79-Series and 98-Series may result in a cancellation of the operating authority granted by this decision.

4. On or before the end of the third month after the transfer the purchaser shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the seller for the period commencing with the first day of the current year to and including the effective date of the transfer.

5. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 3, a certificate of public convenience and necessity is granted to Pink Bus Lines Incorporated, a corporation, authorizing it to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes set forth in Appendix A, attached hereto and made a part hereof.

6. The certificate of public convenience and necessity granted by Decision No. 78748 is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

7. Purchaser shall comply with the safety rules of the California Highway Patrol, the rules and regulations of the Commission's General Order No. 98-Series, and insurance requirements of the Commission's General Order No. 101-Series.

8. Purchaser shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

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

Dated at Los Angeles, California, this 16th  
day of OCTOBER, 1973.

Vernon L. Stinson  
President  
William J. Synson  
John J. [illegible]  
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY

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Showing passenger stage operative rights, restrictions, limitations, exceptions, and privileges applicable thereto.

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All changes and amendments as authorized by the Public Utilities Commission of the State of California will be made as revised pages or added original pages.

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Issued under authority of Decision No. 81999, dated  
OCT 16, 1973 of the Public Utilities Commission of the  
State of California, on Application No. 54088.

SECTION 1. General Authorizations, Restrictions,  
Limitations, and Specifications.

Pink Bus Lines Incorporated, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers over the routes hereinafter described, subject to the following conditions and restrictions:

- (a) Motor vehicles may be turned at termini or at intermediate points, in either direction.
- (b) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (c) Service shall be operated on a regular scheduled basis during summer vacation of public schools from approximately June 10 to September 15 of each year, as well as during week preceding Easter of each year.
- (d) No passenger shall be transported whose origin and destination are both between the intersection of Manchester Avenue and Beach Boulevard (State Highway 39), Buena Park, and the intersection of Bolsa Avenue and Beach Boulevard (State Highway 39), Midway City, both points inclusive. This restriction shall not prohibit the transportation of a passenger between a point within the restricted area and a point outside of the restricted area.

Issued by California Public Utilities Commission.

Decision No. 81999, Application No. 54088.

SECTION 2. Route Description.

Commencing at Beach Boulevard (State Highway 39)  
and Whittier Boulevard, La Habra, thence via  
Beach Boulevard to Pacific Coast Highway (State  
Highway 1), Huntington Beach.

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