

FF 000383 EMERY AIR FREIGHT CORP. 1979 1

FF000383

Freight Forwarders
(Class A)Annual Report Form
F-1

1979

ORIGINAL

Due: March 31, 1980

Approved by GAO
B-180230 (R0254)
Expires

121018

1. CORRECT NAME AND ADDRESS IF DIFFERENT THAN
SHOWN. (See instructions)NAME AND ADDRESS OF REPORTING CARRIER (Attach
label from front cover on original, copy in full on
duplicate)EMERY AIR FREIGHT CORPORATION
P. O. Box 7
Scranton, PA 18501

FF 383

2. State whether respondent is an individual owner, partnership, corporation, association, etc.: Corporation

3. If a partnership, state the names and addresses of each partner including silent or limited, and their interests:

Name	Address	Proportion of Interest

4. If a corporation, association or other similar form of enterprise, give:

(a) Dates and States of incorporation or organization: April 1946 - Delaware

(b) Directors' names, addresses, and expiration dates of terms of office:

Name	Address	Term Expires
SEE ATTACHED SCHEDULE		

(c) The names and titles of principal general officers:

Name	Title
SEE ATTACHED SCHEDULE	

5. Give the voting power, elections, and stockholders, as follows:

A. Total voting securities outstanding:

(1) Common	15,737,430	shares	15,737,430	votes
(2) 1st Preferred		shares		votes
(3) 2nd Preferred		shares		votes
(4) Other securities		shares		votes

B. Does any class of securities carry any special privileges in any elections or in the control of corporate action?

NO

If so, describe each such class or issue, showing the character and extent of such privileges:

(1) Common _____ (2) 1st Preferred _____ (3) 2nd Preferred _____
(4) Other _____ (5) Date of closing stock book _____

		Number	Number of votes, classified		
		000 Omitted			
Security holder	New York, NY Address	5,859.8	1st Preferred (e)	2nd Preferred (f)	Other securities (g)
ay & Co.	Chicago, IL	501.9	501.9		
ruthers & Clark	Wilmington, DEL (b)	300.0	300.0		
rvey L. Rohde	New Canaan, CT	290.9	290.9		
th & Co.	Detroit, MI	203.1	203.1		
ratio J. Snyder	Greenwich, CT	187.8	187.8		
met & Co.	New York, NY	186.0	186.0		
is Slater	West Palm Beach, FL	178.6	178.6		
wers & Co.	New York, NY	126.6	126.6		
gler & Co.	New York, NY	116.8	116.8		

15

[] Two copies are attached to this report.

[] Two copies will be submitted _____
(date)

11. No annual report to stockholders is prepared.

8. If the respondent was formed as a result of consolidation or mergers during the year, name all constituent companies, and give specific references to charters or general laws governing each organization, date and authority for each consolidation and each merger received from a regulatory body, and date of consummation.

9. If the respondent was reorganized during the year, give name of original corporation and the laws under which it was organized, or the name of owner or partners, the reason for the reorganization, and date of reorganization.

N / A

10. If the respondent was subject to a receivership during the year, state:

A. Date of receivership

B. Court of jurisdiction under which operations were conducted

C Date when possession under it was required

D. Name of receiver, receivers, or trustee

EMERY AIR FREIGHT CORPORATION
DIRECTORS

<u>Name</u>	<u>Office</u>	<u>Address</u>
James J. McNulty	Chairman of the Executive Committee and Director	Old Danbury Road Wilton, Conn. 06897
John C. Emery, Jr.	Chairman of the Board and President	Old Danbury Road Wilton, Conn. 06897
Joseph D. Ardleigh	Director	Old Danbury Road Wilton, Conn. 06897
Richard P. Pond	Director	Executive Vice President Stauffer Chemical Company Westport, Conn. 06880
Walter G. Corcoran	Director & Sr. Vice Pres. Finance & Administration	Old Danbury Road Wilton, Conn. 06897
William B. Duncan	Director	Deputy Chairman Imperial Chemical Industries, Ltd. Imperial Chemical House Millbank, London SW1 P3JF England
General William G. Moore, Jr. (Ret.)	Director	932 West Main Street Franklin, Tennessee 37064
Harvey L. Rohde	Director	Old Danbury Road Wilton, Conn. 06897
Ellis D. Slater	Director	Old Danbury Road Wilton, Conn. 06897
Horatio J. Snyder	Director	Old Danbury Road Wilton, Conn. 06897
John T. Thompson	Director	c/o Jesup and LaMont 25 Broadway New York, N.Y. 10004

EMERY AIR FREIGHT CORPORATION
OFFICERS

Name	Office	Address
John C. Emery, Jr.	Chairman, President and Chief Executive Officer	Old Danbury Road Wilton, CT 06897
James B. Brown	Senior Vice President and General Manager	Old Danbury Road Wilton, CT 06897
Walter G. Corcoran	Sr. Vice President - Finance & Administration	Old Danbury Road Wilton, CT 06897
Arthur J. Brooks	Vice President - Marketing	Old Danbury Road Wilton, CT 06897
Ambrose G. Charnogursky	Vice President - Accounting	Keystone Industrial Park Scranton, PA 18501
Reuel A. Dorman	Vice President and Treasurer	Old Danbury Road Wilton, CT 06897
Arthur C. French, Jr.	Vice President - Service	Old Danbury Road Wilton, CT 06897
Daniel J. McCauley	Vice President and General Counsel	Old Danbury Road Wilton, CT 06897
Frederick M. Robison	Vice President, Secretary and Controller	Old Danbury Road Wilton, CT 06897
Johannes Schenkels	Vice President - International	Old Danbury Road Wilton, CT 06897
Clifford J. Stueck	Vice President - EMCON Computer Systems	Old Danbury Road Wilton, CT 06897
Ronald A. VanHarter	Vice President - Customer Service	4333 Transworld Road Schiller Park, IL 60176

EMERY AIR FREIGHT CORPORATION
OFFICERS (continued)

Name	Office	Address
Leslie N. Bittenson	Vice President - Southeast Division	Landmark Center, 5775-A Glenridge Dr. N.E. Atlanta, GA 30328
Brian E. Bulless	Vice President - Pacific Division	71-73 Archer Street Chatswood, N.S.W. Australia 2067
James J. Doyle	Vice President - Eastern Division	255 Glenville Road Greenwich, CT 06830
Harold L. Mead	Vice President - Canadian Division	12 Lakeside Office Park 607 North Avenue Wakefield, Massachusetts 01880

11. If any individual, individuals, association, or corporation held control, as trustee, other than receivership, over the respondent at the close of the year, state--

A. Date of trusteeship N / A
 B. Authority for trusteeship _____
 C. Name of trustee _____
 D. Name of beneficiary or beneficiaries _____
 E. Purpose of trust _____

12. Give a list of companies under common control with respondent:

N / A

13. Furnish a complete list of all companies controlled by the respondent, either directly or indirectly, at the close of the year. List under each directly controlled company the companies controlled by it and under each company any others of more remote control. Each step of control should be appropriately indented from the left margin. After each company state the percentage, if any, of the voting power represented by securities owned by the immediately controlling company:

SEE SCHEDULE ATTACHED

14. Give a complete list showing companies controlling the respondent, as of the close of the year. Commence with the company which is the most remote and list under each such company the company immediately controlled by it. Each step of control should be appropriately indented from the left margin. After each company state the percentage, if any, of the voting power represented by securities owned by the immediately controlling company. When any company listed is immediately controlled by or through two or more companies jointly, list all such companies and list the controlled company under each of them, indicating its status by appropriate cross references:

N / A

15. States in which traffic is originated and/or terminated: (check appropriate boxes)

Alabama	<input checked="" type="checkbox"/>	Georgia	<input checked="" type="checkbox"/>	Maryland	<input checked="" type="checkbox"/>	New Jersey	<input checked="" type="checkbox"/>	South Carolina	
Alaska	<input checked="" type="checkbox"/>	Hawaii	<input checked="" type="checkbox"/>	Massachusetts	<input checked="" type="checkbox"/>	New Mexico	<input checked="" type="checkbox"/>	South Dakota	
Arizona	<input checked="" type="checkbox"/>	Idaho	<input checked="" type="checkbox"/>	Michigan	<input checked="" type="checkbox"/>	New York	<input checked="" type="checkbox"/>	Tennessee	
Arkansas	<input checked="" type="checkbox"/>	Illinois	<input checked="" type="checkbox"/>	Minnesota	<input checked="" type="checkbox"/>	North Carolina	<input checked="" type="checkbox"/>	Texas	
California	<input checked="" type="checkbox"/>	Indiana	<input checked="" type="checkbox"/>	Mississippi	<input checked="" type="checkbox"/>	North Dakota	<input checked="" type="checkbox"/>	Utah	
Colorado	<input checked="" type="checkbox"/>	Iowa	<input checked="" type="checkbox"/>	Missouri	<input checked="" type="checkbox"/>	Ohio	<input checked="" type="checkbox"/>	Vermont	
Connecticut	<input checked="" type="checkbox"/>	Kansas	<input checked="" type="checkbox"/>	Montana	<input checked="" type="checkbox"/>	Oklahoma	<input checked="" type="checkbox"/>	Virginia	
Delaware	<input checked="" type="checkbox"/>	Kentucky	<input checked="" type="checkbox"/>	Nebraska	<input checked="" type="checkbox"/>	Oregon	<input checked="" type="checkbox"/>	Washington	
District of Columbia	<input checked="" type="checkbox"/>	Louisiana	<input checked="" type="checkbox"/>	Nevada	<input checked="" type="checkbox"/>	Pennsylvania	<input checked="" type="checkbox"/>	West Virginia	
Florida	<input checked="" type="checkbox"/>	Maine	<input checked="" type="checkbox"/>	New Hampshire	<input checked="" type="checkbox"/>	Rhode Island	<input checked="" type="checkbox"/>	Wisconsin	
							<input checked="" type="checkbox"/>	Wyoming	

16. COMPARATIVE BALANCE SHEET STATEMENT - ASSET SIDE

Give the following financial data at the beginning of the year and at the close of the year (omit cents):

Line No.	Balance at beginning of year (a)	Item 000 Omitted (b)	Balance at close of year (c)
		I. CURRENT ASSETS	
1	2,977	(100) Cash	2,060
2	---	(101) Special cash deposits (Sec. 18)	1,000
3	---	(102) Temporary cash investments	
4	XXXXXX	1. Pledged \$	XXXXXX
5	27	2. Unpledged \$	9
6	XXXXXX	(103) Working advances	XXXXXX
7	XXXXXX	(104) Notes receivable \$	XXXXXX
8	46,650	(105) Accounts receivable 58,505	56,905
9	14	(106) Less: Reserve for doubtful accounts \$ 1,600	9
10	220	(107) Accrued accounts receivable	772
11	72	(108) Materials and supplies	191
12		(109) Other current assets	
13	49,960	(110) Deferred income tax charges (Sec. 19)	61,034
		Total current assets	
		II. SPECIAL FUNDS AND DEPOSITS	
14	XXXXXX	(120) Sinking and other funds \$	XXXXXX
15		Less: Nominally outstanding \$	
16	XXXXXX	(121) Special deposits \$ 155	XXXXXX
17	155	Less: Nominally outstanding \$	155
18	155	Total special funds	155
		III. INVESTMENT SECURITIES AND ADVANCES	
19	26,068	(130) Investments in affiliated companies (Sec. 20)	20,692
20	XXXXXX	1. Pledged \$	XXXXXX
21		2. Unpledged \$	
22		Undistributed earnings from certain investments in affiliated companies (Sec. 21)	
23	XXXXXX	(131) Other investments (Sec. 20)	XXXXXX
24		1. Pledged \$	
25		2. Unpledged \$	
26	26,068	(132) Less: Reserve for adjustment of investments in securities	20,692
		(133) Allowance for net unrealized loss on noncurrent marketable equity securities	
		Total investment securities and advances	
		IV. TANGIBLE PROPERTY	
27	XXXXXX	(140) Transportation property (Sec. 22-A) \$ 32,197	XXXXXX
28	15,182	(149) Less: Depreciation and amortization reserve	20,607
		Transportation property (Sec. 22-B) 11,590	
29	XXXXXX	(160) Nontransportation property (Sec. 23) \$	XXXXXX
30		(161) Less: Depreciation reserve	
		Nontransportation property (Sec. 23)	
31	15,182	Total tangible property	20,607
		V. INTANGIBLE PROPERTY	
32		(165) Organization	
33		(166) Other intangible property	
34		Total intangible property	
		VI. DEFERRED DEBITS AND PREPAID EXPENSES	
35	3,477	(170) Prepayments	3,276
36		(172) Other deferred debits	
37	3,477	(173) Accumulated deferred income tax charges (Sec. 19)	3,276
38		Total deferred debits and prepaid expenses	
		VII. REACQUIRED AND NOMINALLY ISSUED SECURITIES	
39	XXXXXX	(190) Reacquired and nominally issued long-term debt \$	XXXXXX
40	XXXXXX	Reacquired: 1. Pledged \$	XXXXXX
41	XXXXXX	2. Unpledged \$	XXXXXX
42	XXXXXX	Nominally issued: 1. Pledged \$	XXXXXX
43	XXXXXX	2. Unpledged \$	XXXXXX
44	XXXXXX	(191) Nominally issued capital stock \$	XXXXXX
45	XXXXXX	1. Pledged \$ 2. Unpledged \$	
46	94,842	TOTAL ASSETS	105,764
47		Contingent assets (not included above)	

*For compensating balances not legally restricted, see Sec. 17.

COMPARATIVE BALANCE SHEET STATEMENT—LIABILITY SIDE

Line No.	Balance at beginning of year (a)	Item (b)	Balance at close of year (c)
	\$	VIII. CURRENT LIABILITIES	\$
48		(200) Notes payable	
49	30,985	(201) Accounts payable	33,334
50		(202) Accrued interest	
51		(203) Dividends payable	
52	3,764	(204) Accrued taxes	2,735
53	2,752	(205) Accrued accounts payable	4,970
54		(208) Deferred income tax credits (Sec. 19)	
55		(209) Other current liabilities	
56	37,501	Total current liabilities	41,039
		IX. LONG-TERM DEBT	
		(b1) Less—Nominally outstanding	(b2) Less—Nominally issued
57		(210) Funded debt (Sec. 29)	
58		(210.5) Capitalized leased obligations	
59		(211) Receivers' and trustees' securities (Sec. 29)	
60		(212) Amounts payable to affiliated companies (Sec. 30)	
61		(213) Long-term debt in default (Sec. 29)	
62		(218) Discount on long-term debt	
63		(219) Premium on long-term debt	
64		Total long-term debt	
		X. RESERVES	
65	1,585	(220) Insurance reserves	2,413
66		(221) Provident reserves	
67		(222) Other reserves	141
68	1,585	Total reserves	2,554
		XI. DEFERRED CREDITS	
69		(231) Other deferred credits	
70		(232) Accumulated deferred income tax credits (Sec. 19)	
71		Total deferred credits	
		XII. CAPITAL AND SURPLUS	
72	3,147	(240) Capital stock (Sec. 31)	3,147
73		(241) Premiums and assessments on capital stock	
74		Total (Lines 70 and 71)	
75		Less—Nominally issued capital stock	
76		(242) Discount, commission and expense on capital stock	
77		Total (Lines 73 and 74)	
78		Total (Lines 72 and 75)	
79	8,717	(243) Proprietorial capital	8,482
80	XXXXXXX	(250) Unearned surplus	XXXXXXX
81		1. Paid in \$ 2. Other \$	
82		(260) Earned surplus—Appropriated	
83	49,878	(270) Earned surplus—Unappropriated (Deficit in paren.) (Sec. 32)	55,714
84	XXXXXXX	1. Distributed \$ 2. Undistributed \$	XXXXXXX
85		(279) Net unrealized loss on noncurrent marketable equity securities	
86	5,986	(280) Less: Treasury stock	5,172
87	XXXXXXX	1. Pledged \$ 2. Unpledged \$	XXXXXXX
88	55,756	Total capital and surplus	
89	94,842	TOTAL LIABILITIES	62,171
90		Contingent liabilities (not included above)	105,764

COMPARATIVE BALANCE SHEET STATEMENT—EXPLANATORY NOTES

Estimated accumulated net Federal income tax reduction realized since December 31, 1949, under section 168 (formerly section 124-A) of the Internal Revenue Code because of accelerated amortization of emergency facilities in excess of recorded depreciation \$ None

Estimated accumulated savings in Federal income taxes resulting from computing book depreciation under Commission rules and computing tax depreciation using the items listed below \$ None

—Accelerated depreciation since December 31, 1953, under section 167 of the Internal Revenue Code.

—Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-21.

—Guideline lives under Class Life System (Asset Depreciation Range) since December 31, 1970, as provided in the Revenue Act of 1971.

(1) Estimated accumulated net income tax reduction utilized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962, as amended \$ \$1,945,000

(2) If carrier elected, as provided in the Revenue Act of 1971, to account for the investment tax credit under the deferral method, indicate the total deferred investment tax credit at beginning of year \$ N/A

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes \$

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual \$

Other adjustments (indicate nature such as recapture on early disposition) \$

Total deferred investment tax credit at close of year \$

Investment tax credit carryover at year end \$

Cost of pension plan:

Past service costs determined by actuaries at year end \$

Total pension costs for year:

Normal costs \$ 2,247,000

Amortization of past service costs \$

Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \$ None

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). YES NO X

Marketable Equity Securities—to be completed by companies with \$10.0 million or more in gross operating revenues:

1. Changes in Valuation Accounts N / A

		Cost	Market	Dr. (Cr) to Income	Dr. (Cr) to Stockholders Equity
Current year	Current Portfolio	\$	\$	\$	x x x x
as of / /	Noncurrent Portfolio			x x x x	\$
Previous year	Current Portfolio			x x x x	x x x x
as of / /	Noncurrent Portfolio			x x x x	x x x x

2. At / / , gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$	\$
Noncurrent		

N / A

3. A net unrealized gain (loss) of \$ on the sale of marketable equity securities was included in net income for (year). The cost of securities sold was based on the (method) cost of all the shares of each security held at time of sale.

N / A

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to their filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

N / A

NOTE: / / - date - Balance sheet date date of the current year unless specified as previous year.

17.—COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing arrangements if operating revenues are \$10 million or more. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances under an agreement which legally restricts the use of such funds, and which constitute support for short-term borrowing arrangements, should be included in section 18, account 101, Special cash deposits.
5. Compensating balances under an agreement which legally restricts the use of such funds and which constitute support for long-term borrowing arrangements and are reported in account 121, Special deposits, should also be separately disclosed below.
6. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
7. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

1. Chemical Bank	
Line of Credit	\$5,000,000
Line of Credit Used	- 0 -
Maximum Amount Of	
Borrowing in 1979	- 0 -
2. None	
3. None	
4. None	
5. None	
6. N/A	
7. N/A	

18.—SPECIAL CASH DEPOSITS

NONE

For other than compensating balances, state separately each item of \$10,000 or more reflected in account 101, Special cash deposits, at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items less than \$10,000". For compensating balances, state separately the total amounts held on behalf of respondent and held on behalf of others.

Line No.	Purpose of deposit (a)	Balance at close of year (b)
	Interest special deposits	\$
1		
2		
3		
4		
5		
6	Total	
	Dividend special deposits	
7		
8		
9		
10		
11		
12	Total	
	Miscellaneous special deposits	
13		
14		
15		
16		
17		
18	Total	
	Compensating balances legally restricted:	
19	Held on behalf of respondent	
20	Held on behalf of others	
21	Total	

21. Report below the details of all investments in common stocks included in account 130. Investments in affiliated companies, which qualify for the equity method under instruction 28 in the Uniform System of Accounts for Freight Forwarders.

Enter in column (c) the amount necessary to retroactively adjust those investments qualifying for the equity method of accounting in accordance with instruction 28(b) (11) of the Uniform System of Accounts.

Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.

Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost at date of acquisition. See instruction 28(b)(4).

The total of column (g) must agree with column (b), line 21, Section 16.

UNDISTRIBUTED EARNINGS FROM CERTAIN INVESTMENTS IN AFFILIATED COMPANIES

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
1	Carriers. (List specifics for each company)	\$	\$	\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18	Total	46,133	200,000	(30,288)			215,845
19	Noncarriers (Show totals only for each column)	46,133	200,000	(30,288)			215,845
20	Total (lines 18 and 19)						

EMERY AIR FREIGHT CORPORATION

Emery Distribution System Inc.	100%
Emery Ocean Freight	100%
Emery Customs Brokerage Pty Ltd	100%
Emery Customs Brokerage Ltd	100%
Emery Customs Brokers-GMBH (Germany)	100%
Emery Customs Brokers-Holland BV	100%
Emery Customs Brokers-Belgium NV	100%
Emery Customs Brokers-(NZ) Pty Ltd	100%
Emery Agence En Douane Sarl	100%
Emery Asset Management Corp.	100%
Blue Ribbon Insurance Ltd	100%
Japan Emery Air Freight	100%
Emery Air Freight SPA	100%
Cargo Facilities Inc.	100%
Emery Facilities Inc.	100%
Mitchel Facilities Inc.	100%
Roberts Cartage Inc.	100%
100 Port St.	100%
Bradley Facilities Inc.	40%
Emery Financial Services	100%
Emery Aircraft Leasing	100%

Names of Issuing Company and Description of Security Held *	Par Value	No. of Shares	Book Cost	INCOME EARNED DURING YEAR	
				KIND	AMOUNT
Roberts Cartage Inc.	No Par	695	374,827	Ordinary	616
Blue Ribbon Inc. Ltd.	No Par	119,992	2,120,000		1,139,092
Emery Asset Mgt Corp	\$100.00	200	14,820,856		883,142
Cargo Facilities Inc.	1.00	750	1,000		- 0 -
Emery Facilities Inc.	1.00	500	273,817		2,051
Mitchell Facilities Inc.	No Par	250	20,091		13,820
Emery Air Freight, SPA	Lire 1,000	--	1,720		92,204
Japan Emery Air Freight	Yen 500	100,000	557,370		(31,896)
100 Port St. Inc.	.10	100	1,737,025		60,104
Emery Distribution Sys Inc	No Par	1,000	1,713,076		385,331
Emery Customs Brokers Pty.	A\$1.00	10,000	11,148		70,462
Emery Customs Brokers Ltd.	No Par	400	85,000		181,758
Emery Agence En Douane Sarl	FF 100	2,500	50,800		210,769
Emery Customs Brokers-NV	No Par	1,000	40,125		32,823
Emery Customs Brokers-BV	No Par	125	15,803		(3,386)
Emery Customs Brokers-(NZ) Pty	No Par	1,000	10,525		12,656
Emery Customs Brokers-GMBH	No Par	1,000	10,540		(3,990)
Emery Customs Brokers-S.A.	\$1 Rand	20,000	36,400		9,551
Emery Asset Leasing, Inc.	\$.10	100	3,039,051		(12,681)
TOTAL			24,969,174		3,042,426

*All investments above are in common stock

24.—RENTAL EXPENSE OF LESSEE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Otherwise, show total rental expense (reduced by rentals from subleases) entering into the determination of results of operations for each period for which an income statement is presented. Rental payments under short-term leases for a month or less which are not expected to be renewed need not be included. Contingent rentals, such as those based on usage or sales, shall be reported separately from the basic or minimum rentals.

Line No.	Type of lease (a)	Current year (b)	Prior year (c)
	Financing leases	\$	\$
1	Minimum rentals		
2	Contingent rentals	()	()
3	Sublease rentals		
4	Total financing leases		
	Other leases		
5	Minimum rentals		
6	Contingent rentals	()	()
7	Sublease rentals		
8	Total other leases		
9	Total rental expense of lessee		

NOTE: As used in sections 24 through 28, a "financing lease" is defined as a lease which, during the noncancellable lease period, either (a) covers 75% or more of the economic life of the property or (b) has terms which assure the lessor a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk in the realization of the residual interest in the property and the credit risks generally associated with secured loans.

SEE NOTE 10 TO CONSOLIDATED FINANCIAL

STATEMENT FOR DISCLOSURE OF LEASE COMMITMENTS

A. Investment

Property Accounts	Balance at Beginning of Year	Additions	Deletions	Adjustments Dr-Debit Cr-Credit	Balance at Close of Year
Land	2,163	151	--	--	2,314
Buildings	1,599	1,129	--	--	2,728
Furniture & Equip	12,082	5,446	235	--	17,293
Leasehold Improv.	8,441	1,560	140	--	9,861
TOTAL	24,285	8,286	375	--	32,196

B. Depreciation & Amortization Reserve

Property Accounts	Balance at Beginning of Year	Additions	Deletions	Adjustments Dr-Debit Cr-Credit	Balance at Close of Year
Buildings	76	59	--	--	135
Furniture & Equip	5,997	1,851	131	--	7,717
Leasehold Improv.	3,030	814	106	--	3,738
TOTAL	9,103	2,724	237	--	11,590

25.—MINIMUM RENTAL COMMITMENTS

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Show the minimum rental commitments under all noncancellable leases, as of the date of the latest balance sheet presented, in the aggregate (with disclosure of the amounts applicable to noncapitalized financing leases) for (a) each of the five succeeding fiscal years; (b) each of the next three five-year periods; and, (c) the remainder as a single amount. The amounts so determined should be reduced by rentals to be received from existing noncancellable subleases (with disclosure of the amounts of such rentals). For purposes of this rule, a noncancellable lease is defined as one that has an initial or remaining term of more than one year and is noncancellable, or is cancellable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

Line No.	Year ended (a)	A			B	
		Financing leases (b)	Other Leases (c)	Total (d)	Sublease rentals*	
					Financing leases (e)	Other leases (f)
1	Next year	\$	\$	\$	\$	\$
2	In 2 years					
3	In 3 years					
4	In 4 years					
5	In 5 years					
6	In 6 to 10 years					
7	In 11 to 15 years					
8	In 16 to 20 years					
9	Subsequent					

SEE NOTE 10 TO CONSOLIDATED FINANCIAL
STATEMENT FOR DISCLOSURE OF LEASE COMMITMENTS

* The rental commitments reported in Part A of this schedule have been reduced by these amounts.

26.—LESSEE DISCLOSURE

Complete this schedule only if carrier operating revenues are \$10 million or more.

Relate in general terms: (a) the basis for calculating rental payments if dependent upon factors other than the lapse of time; (b) existence and terms of renewal or purchase options, escalation clauses, etc.; (c) the nature and amount of related guarantees made or obligations assumed; (d) restrictions on paying dividends, incurring additional debt, further leasing, etc.; and, (e) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and changes in financial position of the lessee.

Line
No.

(a)

SEE NOTE 10 TO CONSOLIDATED FINANCIAL STATEMENTS

FOR DISCLOSURE OF LEASE AGREEMENTS

(b)

(c)

(d)

(e)

27.—LEASE COMMITMENTS—PRESENT VALUE

N / A

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if the present value of the minimum lease commitments are more than five percent of the sum of the long-term debt, stockholders' equity and the present value of the minimum lease commitments, or if the impact on net income (as computed in section 28, Income impact—Lessee) is three percent or more of the average net income for the most recent three years.

Show all noncapitalized financing leases, the present value of the minimum lease commitments in the aggregate and by major categories of properties. Present values shall be computed by discounting net lease payments (after subtracting, if practicable, estimated, or actual amounts, if any, applicable to taxes, insurance, maintenance and other operating expenses) at the interest rate implicit in the terms of each lease at the time of entering into the lease.

Show either the weighted average interest rate (based on present value) and range of rates or specific interest rates for all lease commitments.

Line No.	Asset category (a)	Present value		Range		Weighted average	
		Current year (b)	Prior year (c)	Current year (d)	Prior year (e)	Current year (f)	Prior year (g)
		\$	\$	%	%	%	%
1	Structures						
2	Revenue equipment						
3	Shop and garage equipment						
4	Service cars and equipment						
5	Noncarrier operating property						
	Other (Specify)						
6							
7							
8							
9							
10	Total						

28.—INCOME IMPACT—LESSEE

Complete this schedule only if carrier operating revenues are \$10 million or more.

If the impact on net income is less than three percent of the average net income for the most recent three years, a statement to that effect will suffice to complete this schedule. Otherwise, show the impact on net income for each period for which an income statement is presented if all noncapitalized financing leases were capitalized, related assets were amortized on a straight-line basis and interest cost was accrued on the basis of the outstanding lease liability. The amounts of amortization and interest cost shall be separately identified.

In calculating average net income, loss-years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test.

Line No.	Item (a)	Current year (b)	Prior year (c)
		\$	\$
1	Amortization of lease rights		
2	Interest		
3	Rent expense		
4	Income tax expense		
5	Impact (reduction) on net income		

We are accounting for all financial leases in accordance with Financial Statements Board Statement No. 13. Thus all financial leases are capitalized.

32. Show items of Earned surplus—Unappropriated for the year, classified in accordance with the Uniform System of Accounts for Freight Forwarders. All contra entries hereunder should be indicated in parentheses. Include in column (b) only amounts applicable to earned surplus exclusive of any amounts included in column (c). Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting. See account (270) in section 16.

Line No.	Item (a)	Retained earnings accounts (b)	Equity in undistributed earnings of affiliated companies (c)
1	(270) Earned surplus (or deficit) at beginning of year	\$ 49,878	xxx
2	(300) Equity in undistributed earnings (losses) of affiliated companies at beginning of year	xxx	
3	(300) Income balance (Sec. 33)	20,169	
4	(301) Miscellaneous credits		
5	(302) Prior period adjustments to beginning earned surplus account		
6	(310) Miscellaneous debits		xxx
7	(311) Miscellaneous reservations of earned surplus	15,130	xxx
8	(312) Dividend appropriations of earned surplus		xxx
9	(270) Earned surplus (or deficit) at close of year	xxx	
10	Equity in undistributed earnings (losses) of affiliated companies at end of year		xxx
11	Balance from line 10(c)		xxx
12	Total unappropriated earned surplus and equity in undistributed earnings (losses) of affiliated companies at end of year (lines 9 and 11)	54,917	xxx

Net of assigned income taxes: account 301 \$ _____ (explain)
 account 316 _____ (explain)

33.-INCOME STATEMENT FOR THE YEAR

Give the following income account for the year (omit cents):

Line No.	Item (a)	Amount (b)
ORDINARY ITEMS		
FORWARDER OPERATING INCOME		
1	(400) Operating revenues (Sec. 34)	204,466
2	(410) Operating expenses (Sec. 35)	168,570
3	*Net revenue from forwarder operations (line 1, line 2)	35,896
4	(411) Transportation tax accruals (Sec. 36)	--
5	*Net revenue, less taxes, from forwarder operations (line 3, line 4)	35,896
OTHER INCOME		
6	(401) Dividend (other than from affiliates) and interest income	251
7	(402) Release of premium on long-term debt	1,685
8	(403) Miscellaneous income	
Income from affiliated companies:		
9	Dividends	
10	Equity in undistributed earnings (losses)	1,936
11	Total other income	37,832
12	*Total income (line 5, line 11)	
MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(412) Provision for uncollectible accounts	1,892
14	(413) Miscellaneous tax accruals	
15	(414) Miscellaneous income charges	1,892
16	Total income deductions	35,940
17	*Income from continuing operations before fixed charges (Lines 12, 16)	
FIXED CHARGES		
18	(420) Interest on long-term debt	
19	(421) Other interest deductions	
20	(422) Amortization of discount on long-term debt	- 0 -
21	Total fixed charges	- 0 -
22	(423) Unusual or infrequent items	35,940
23	*Income from continuing operations before income taxes (lines 17, 21, 22)	
PROVISION FOR INCOME TAXES		
24	(431) Income taxes on income from continuing operations (Sec. 36)	16,338
25	(432) Provision for deferred taxes	19,602
26	Income (loss) from continuing operations (lines 23-25)	
DISCONTINUED OPERATIONS		
27	(433) Income (loss) from operations of discontinued segments**	
28	(434) Gain (loss) on disposal of discontinued segments**	
29	Total income (loss) from discontinued operations (lines 27, 28)	- 0 -
30	*Income before extraordinary items (lines 26, 29)	19,602
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
31	(435) Extraordinary items-Net Credit (Debit) (p. 20)	
32	(450) Income taxes on extraordinary and prior period items-Debit (Credit) (p. 20)	
33	(451) Provision for deferred taxes-Extraordinary and prior period items	
34	Total extraordinary items	- 0 -
35	(452) Cumulative effect of changes in accounting principles**	- 0 -
36	Total extraordinary items and accounting changes (lines 34, 35)	
37	*Net income transferred to earned surplus (lines 30, 36)	19,602
*If a loss or debit, show the amount in parentheses.		
**Less applicable income taxes of		
(433) Income (loss) from operations of discontinued segments		
(434) Gain (loss) on disposal of discontinued segments		
(452) Cumulative effect of changes in accounting principles		

33.—INCOME STATEMENT - EXPLANATORY NOTES

1. (a) Indicate method elected by carrier, as provided in the Revenue Act of 1971, to account for the investment tax credit:

Flow-through ☒ Deferral ☐

(b) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit: \$ 651,000

(c) If deferral method was elected, indicate amount of investment tax credit utilized as reduction of tax liability for current year: \$ N / A

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes: (\$)

Balance of current year's investment tax credit used to reduce current year's tax accrual: \$

Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual: \$

Total decrease in current year's tax accrual resulting from use of investment tax credits: \$

2. An explanation of all items included in accounts 435, "Extraordinary items," and 450, "Income taxes on extraordinary items" should be made in the space below. (See instruction 540.0-4, Uniform System of Accounts for Freight Forwarders.) N / A

34.—OPERATING REVENUES

Show the forwarder operating revenues of the respondent for the year, classified by accounts as follows (omit cents):

Line No.	Account (a)	Amount (b)
	I. TRANSPORTATION REVENUE	
1	501. Forwarder revenue	\$ 495,404
	II. TRANSPORTATION PURCHASED—DR.	
2	511. Railroad transportation	--
3	512. Motor transportation	2,873
4	513. Water transportation	--
5	514. Pick-up, delivery, and transfer service	34,172
6	515. Other transportation purchased*	258,440
7	Total transportation purchased	295,485
8	Revenue from transportation (line 1 minus line 7)	199,919
	III. INCIDENTAL REVENUE	
9	521. Storage—Freight	- 0 -
10	522. Rent revenue	415
11	523. Miscellaneous	4,132
12	Total incidental revenues	4,547
13	Total operating revenues (line 8 plus line 12)	204,466

*Report separately hereunder, by type of transport (air, express, forwarder, or any other type), the amounts included in Account 515, "Other transportation purchased":

35.—OPERATING EXPENSES

Show the forwarder operating expenses of the respondent for the year, classified by accounts as follows (omit cents):

Line No.	Account (a)	Amount (b)
1	601 General office salaries	\$ 9,057
2	602 Traffic department salaries	14,365
3	603 Law department salaries	--
4	604 Station salaries and wages*	61,376
5	605 Loading and unloading by others	4,076
6	606 Operating rents	8,915
7	607 Traveling and other personal expense	1,645
8	608 Communications	5,623
9	609 Postage	1,477
10	610 Stationery and office supplies	3,455
11	611 Tariffs	180
12	612 Loss and damage—Freight	5,633
13	613 Advertising	9,845
14	614 Heat, light, and water	1,736
15	615 Maintenance	3,416
16	616 Depreciation and amortization	1,897
17	617 Insurance	731
18	618 Payroll taxes (Sec. 36)	6,512
19	619 Commissions and brokerage	1,753
20	620 Vehicle operation (Sec. 36)	6,197
21	621 Law expenses	318
22	622 Depreciation adjustment	--
23	630 Other expenses	20,363
24	Total operating expenses	168,570

*Includes debits totaling \$_____ for the pay of employees engaged in handling freight over platforms.

36.—TAXES

Give particulars called for with respect to taxes and licenses accrued to accounts (411) and (431) in Section 33, and accounts (618) and (620) in Section 35.

Line No.	Kind of tax (a)	(411) Transportation tax accruals (b)	(431) Income taxes on income from continuing operations (c)	(618) Payroll taxes (d)	(620) Vehicle operation (e)	Total (f)
1	Social security taxes	\$	\$	\$ 6,414	\$	\$
2	Real estate and personal property taxes					
3	Gasoline, other fuel and oil taxes					
4	Vehicle licenses and registration fees					
5	Corporation taxes					
6	Capital stock taxes					
7	Federal excise taxes					
8	Federal excess profits taxes		20,178			
9	Federal income taxes					
10	State income taxes					
11	(Other taxes described)					
12	Miscellaneous			419		
13	(a)					
14	(b)					
15	(c)					
16	(d)					
17	(e)					
18	Total		20,178	6,833		

37. Give particulars as called for with respect to motor vehicles owned outright and held under purchase obligations at the close of the year.

Line No.	Vehicle		Book value included in account (140) of sec. 16 (c)	Accrued depreciation included in account (149) of sec. 16 (d)
	Make, kind and capacity (a)	Number of (b)		
1			\$	\$
2	Automobile - Various Years	55	274,855	129,958
3	Makes & Models			
4				
5	Trucks - Various Years	25	87,497	54,742
6	Makes & Models			
7				
8	Total	80	362,352	184,700

38. Give the particulars as called for concerning the respondent's employees and their compensation for the year. The data on number of employees shall be based on the number of employees on the payroll at close of pay period containing the 12th day of the months specified. If operations were interrupted during such period due to strikes, fires, floods, etc., the data should be reported for the nearest representative payroll period. Enter the total number of employees in each class on the payrolls covered by this report who worked full or part time or received pay for any part of the period reported.

Line No.	Class	Number of employees on payroll at close of the pay period containing the 12th day of				Total compensation during year
		February <i>B</i>	May <i>C</i>	August <i>D</i>	November <i>E</i>	
	General office employees:					
1	Officers	16	16	16	16	\$ 1,603
2	Clerks and attendants	462	477	494	538	7,454
3	Total	478	493	510	554	9,057
	Traffic department employees:					
4	Officers	--	--	--	--	
5	Managers	44	44	41	444	1,329
6	Solicitors	311	322	333	337	13,036
7	Clerks and attendants	--	--	--	--	
8	Total	355	366	374	381	14,365
	Law department employees:					
9	Officers	--	--	--		
10	Solicitors	--	--	--		
11	Attorneys	--	--	--		
12	Clerks and attendants	--	--	--		
13	Total	--	--	--		
	Station and warehouse employees:					
14	Superintendents	395	406	426	481	11,536
15	Foremen	6	7	11	16	297
16	Clerks and attendants	1,370	1,419	1,512	1,537	28,673
17	Laborers	1,084	1,175	1,205	1,180	20,870
18	Total	2,855	3,007	3,154	3,214	61,376
	All other employees (specify):					
19		--	--	--		
20		--	--	--		
21		--	--	--		
22		--	--	--		
23	Total					
24	Grand total	3,688	3,866	4,038	4,149	84,798

Length of payroll period: (Check one) | | one week, | | two weeks, | | other (specify):

39. Give the various statistical items called for concerning the forwarders' operations of the respondent during the year. State tons of 2,000 pounds.

Line No.	Item (a)	Number (b)
1	Tons of freight received from shippers	234,205
2	Number of shipments received from shippers	6,146,484

40.—COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each of the five persons named in Section 5, item (b) and (c) of this report to whom the respondent paid the largest amount during the year covered by this report as compensation for current or past service over and above necessary expenses incurred in discharge of duties and in addition, all other officers, directors, pensioners or employees, if any, to whom the respondent similarly paid \$40,000 or more. If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies. Any large "Other compensation" should be explained in a footnote. If an officer, director, etc., receives compensation from another transportation company (whether a subsidiary or not), reference to this fact should be made if his aggregate compensation amounts to \$40,000 or more, and the details as to division of the salary should be stated. By salary column (c) is meant the annual rate at which an employee is paid, rather than the amount actually paid. If salary of an individual was changed during the year, show salary before each change as well as at close of year.

Line No.	Name of person (a)	Title (b)	Salary per annum as of close of year (see instructions) (c)	Other compensation during the year (d)
1	Leslie Bittenson	Vice President	\$ 55,000	\$ 4,860
2	James B. Brown	Sr. Vice President	81,000	5,832
3	Brian E. Bulless	Vice President	42,000	3,996
4	Ambrose G. Charnogursky	Vice President	52,000	5,076
5	Walter G. Corcoran	Sr. Vice President	111,000	11,340
6	Edward J. Crane	Vice President	65,000	6,588
7	James J. Doyle	Vice President	57,000	4,860
8	John C. Emery, Jr.	President	187,000	21,600
9	Arthur C. French, Jr.	Vice President	73,000	6,588
10	John W. Grieger	Vice President	64,000	5,832
11	John V. Healy	Sr. Vice President	45,000	--
12	Daniel J. McCauley	Vice President	64,000	6,588
13	Harold L. Mead	Vice President	55,000	4,968
14	Frederick M. Robison	Vice President	63,000	5,832
15	Jan Schenkels	Vice President	47,000	5,508
16	Clifford J. Stueck	Vice President	55,000	4,968
17	Ronald Van Marter	Vice President	45,000	--
18				
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41.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

Section 10 of the Clayton Antitrust Act (15 U.S.C. 20) states that "no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make any contracts for construction or maintenance of any kind, to the amount of more than \$50,000, in the aggregate, in any one year, with another corporation, firm, partnership or association when the said common carrier shall have upon its board of directors or as its president, manager or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership or association, unless and except such purchases shall be made from, or such

dealings shall be made with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission." The specification for competitive bids is found in the Code of Federal Regulations, Part 1010-Competitive Bids through Part 1010.7 - Carriers Subject to the Interstate Commerce Act.

In column (g), identify the company awarded the bid by including company name and address, name and title of respondent officers, directors, selling officer, purchasing officer and/or general manager that has an affiliation with the seller.

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1							
2							
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29							
30							

N/A

Name, title, telephone number and address of the person to be contacted concerning this report:

NAME Ambrose G. Charnogursky TITLE Vice President-Accounting

TELEPHONE NUMBER 717-346-4663
(Area code) (Telephone number)

OFFICE ADDRESS P O Box 7 Scranton, PA 18501
(Street and number) (City, State, and ZIP Code)

OATH

(To be made by the officer having control of the accounting of the respondent)

STATE OF Pennsylvania)

COUNTY OF Lackawanna) ss:

Ambrose G. Charnogursky makes oath and says that he is

Vice President-Accounting

(Insert here the official title of the affiant)

of Emery Air Freight Corporation

(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said reports is a correct and complete statement of the business and affairs of the above-named respondent during the period of the time from and including January 1, 1979, to and including December 31, 1979

(Signature of affiant)

Subscribed and sworn to before me, a Notary, in and for the State and County above named,

this _____ day of _____, 19____

My commission expires _____

[USE AN L. S.
IMPRESSION
SEAL]

(Signature of officer authorized to administer oaths)