

FF 000413 OCEAN AIR INTERNATIONAL, INC. 1979 1

FF000413

ORIGINAL

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

1979

Due: March 31, 1980

Approved by GAO
B-180230 (R0254)
Expires1. CORRECT NAME AND ADDRESS IF DIFFERENT THAN
SHOWN. (See instructions)

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MAY 19 1980

ICC - P. O. 2040

NAME AND ADDRESS OF REPORTING CARRIER (Attach
label from front cover on original, copy in full on
duplicate)

FF000413 121018 A O 1761

Ocean Air International, Inc.

Rd # 1

Burgettstown, Pittsburgh Pa.

15021

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
	N/A	

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

(a) Dates and States of incorporation or organization:

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

Name	Address	Term Expires
James J. Starck	Tarpon Springs, Florida	Annually
Richard E. Starck	Weirton, W. Va.	Annually
Robert J. Starck	Weirton, W. Va.	Annually
Marquerite J. Starck	Seminole, Florida	Annually

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

Name	Title
Richard E. Starck	President
James J. Starck	Vice-President
Robert J. Starck	Assistant Secretary/Treasurer
Marquerite J. Starck	Secretary/Treasurer

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

A. Total voting securities outstanding

(1) Common	310,000	shares	310,000	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:

C. State for each class of stock the total number of stockholders of record at the latest date of closing of stock book or compilation of list of stockholders prior to date of submitting this report:

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

6. Give names of the ten security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him. If any such holder held securities in trust, give (in a footnote) the particulars of the trust. If the stock book was not closed or the list of stockholders compiled within such year, show such ten security holders as of the close of the year.

Name of security holder (a)	Address (b)	Number of votes, to which entitled (c)	Number of votes, classified			
			Common (d)	1st Preferred (e)	2nd Preferred (f)	Other securities (g)
James J. Starck	Tarpon Springs, Fla.	155000	155000			
Robert J. Starck	Weirton, W. Va.	77500	77500			
Richard E. Starck	Weirton, W. Va.	77500	77500			

7. The respondent is required to send to the Bureau of Accounts, immediately upon preparation two copies of its latest annual report to stockholders.

Check appropriate box.

☐ Two copies are attached to this report.

☐ Two copies will be submitted _____ (date)

☒ No annual report to stockholders is prepared.

8. If the respondent was formed as a result of consolidations 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.

N/A

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 _____

N/A

C. Date when possession under it was required _____

D. Name of receiver, receivers, or trustee _____

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 _____
 B. Authority for trusteeship _____
 C. Name of trustee _____
 D. Name of beneficiary or beneficiaries _____
 E. Purpose of trust _____ n/a

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:

Ocean Air Forwarding Inc. 50%

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.

None

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

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 (b)	Balance at close of year (c)
	\$ 280877	I. CURRENT ASSETS	\$ 486791
1		(100) Cash	
2		(101) Special cash deposit (Sec. 18)	
3		(102) Temporary cash investments	
4	XXXXXX	1. Pledged \$	XXXXXX
5	6436	2. Unpledged \$	2543
6	XXXXXX	(103) Working advances	XXXXXX
7	XXXXXX	(104) Notes receivable	1242009
8	4224792	(105) Accounts receivable	1227570
9		(106) Less: Reserve for doubtful accounts	\$ 14439
10		(107) Accrued accounts receivable	
11		(108) Materials and supplies	
12		(109) Other current assets	
13	4512105	(110) Deferred income tax charges (Sec. 19)	1716904
		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	XXXXXX
17		Less: Nominally outstanding	
18		Total special funds	
		III. INVESTMENT SECURITIES AND ADVANCES	
19		(130) Investments in affiliated companies (Sec. 20)	
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		(132) Less: Reserve for adjustment of investments in securities	
		(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)	38698
28	19268	(149) Less: Depreciation and amortization reserve	14121
		Transportation property (Sec. 22-B)	6773
29	XXXXXX	(160) Nontransportation property (Sec. 23)	XXXXXX
30	52839	(161) Less: Depreciation reserve	1111
31	72106	Nontransportation property (Sec. 23)	5662
		Total tangible property	30239
		V. INTANGIBLE PROPERTY	
32		(165) Organization	
33		(166) Other intangible property	
34		Total intangible property	
		VI. DEFERRED DEBITS AND PREPAID EXPENSES	
35		(170) Prepayments	
36		(172) Other deferred debits	
37		(173) Accumulated deferred income tax charges (Sec. 19)	
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	4584211	1. Pledged \$ 2. Unpledged \$	1747143
46		TOTAL ASSETS	
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	4138247	(201) Accounts payable	1293282
50	375	(202) Accrued interest	5058
51		(203) Dividends payable	
52		(204) Accrued taxes	30697
53	35143	(205) Accrued accounts payable	18143
54		(208) Deferred income tax credits (Sec. 19)	
55	7003	(209) Other current liabilities	5410
56	4180768	Total current liabilities	1352590
		IX. LONG-TERM DEBT	
		(b1) Less—Nominally outstanding	(b2) Less—Nominally issued
57	198375	(210) Funded debt (Sec. 29)	180000
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	198375	(219) Premium on long-term debt	180000
64		Total long-term debt	
		X. RESERVES	
65		(220) Insurance reserves	
66		(221) Provident reserves	
67		(222) Other reserves	
68		Total reserves	
		XI. DEFERRED CREDITS	
69		(231) Other deferred credits	
70		(232) Accumulated deferred income tax credits (Sec. 19)	
71		Total deferred credits	
	31000	XII. CAPITAL AND SURPLUS	31000
72		(240) Capital stock (Sec. 31)	
73		(241) Premiums and assessments on capital stock	
74		Total (Lines 70 and 71)	31000
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)	31000
79		(243) Proprietorial capital	
80		(250) Unearned surplus	
81	XXXXXXX	1. Paid in \$ 2. Other \$	XXXXXXX
82		(260) Earned surplus—Appropriated	
83	174068	(270) Earned surplus—Unappropriated (Deficit in paren.) (Sec. 32)	183553
84	XXXXXXX	1. Distributed \$ 2. Undistributed \$	XXXXXXX
85		(279) Net unrealized loss on noncurrent marketable equity securities	
86		(280) Less: Treasury stock	
87	XXXXXXX	1. Pledged \$ 2. Unpledged \$	XXXXXXX
88	205068	Total capital and surplus	214553
89	4584211	TOTAL LIABILITIES	1747143
90		Contingent liabilities (not included above)	

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 5640

(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 \$ none

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

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

1. Changes in Valuation Accounts

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

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

	Gains	Losses
Current	\$ <u> </u>	\$ <u> </u>
Noncurrent	<u> </u>	<u> </u>

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.

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:

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

7

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.

None

18.—SPECIAL CASH DEPOSITS

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	None	
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	

19. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other", including State and other taxes deferred if computed separately. Minor items each less than \$100,000 may be combined in a single entry under "Other".

Indicate in column (b) the beginning of the year balance of accumulated deferred tax credits (debits) applicable to each particular in column (a).

Indicate in column (c) the net change in accounts 110, 173, 208 and 232 or the net tax effect of timing difference originating and reversing in the current accounting period.

The total of net credits (charges) for the current year in column (c) should agree with the contra charges (credits) to account 432, Provision for deferred taxes, and account 451, Provision for deferred taxes. Extraordinary and prior period items, for the current year.

Indicate in column (d) any adjustment as appropriate, including adjustments to eliminate or reinstate deferred tax effect (credits or debits) due to applying or recognizing a loss carryforward or a loss carryback.

Indicate in column (e) the cumulative total of columns (b), (c) and (d). The total of column (e) must agree with the balances in accounts 110, 173, 208 and 232 in Section 16.

ANALYSIS OF FEDERAL INCOME AND OTHER TAXES DEFERRED

Line No.	Particulars	Beginning of Year Balance (b)	Net credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C. Guideline lives pursuant to Rev. Proc. 62-21	\$	\$	\$	\$
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Other (Specify)				
4					
5					
6					
7	Investment tax credit	None			
8	TOTALS				

20. Give the details called for of investments in securities and advances held at the close of the year as stated for accounts (130) and (131) in section 16.

Names of issuing company and description of security held	Par value	Number of shares	Book cost	Income earned during year	
				Kind	Amount
	\$		\$		\$
		None			
Total	xxxxxxx	xxxxxxx		xxxxxxx	

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						
19	Noncarriers (Show totals only for each column)						
20	Total (lines 18 and 19)						

22. Give details as called for of investment in transportation property, and reserve for depreciation and amortization for balances as stated for accounts (140) and (149) in section 16.

A. INVESTMENT

Property accounts	Balance at beginning of year	Charges	Credits	Adjustments Dr. - Debit Cr. - Credit	Balance at close of year
141. Furniture and office equipment	\$	\$	\$	\$	\$
142. Motor and other highway vehicles	29353	9345			38698
143. Land and public improvements					
144. Terminal and platform equipment					
145. Other property account charges					
Total	29353	9345			38698

B. DEPRECIATION AND AMORTIZATION RESERVE

Property accounts	Balance at beginning of year	Charges	Credits	Adjustments Dr. - Debit Cr. - Credit	Balance at close of year
141. Furniture and office equipment	\$	\$	\$	\$	\$
142. Motor and other highway vehicles	10085	4036			14121
143. Land and public improvements (depreciable property)					
144. Terminal and platform equipment					
145. Other property account charges (depreciable property)					
Total	10085	4036			14121

23. Give details of investment in nontransportation property, and depreciation reserve for balances at close of the year, as stated for accounts (160) and (161) in section 16.

Description of property	Book cost of property	Depreciation reserve
Computer	\$ 6773	\$ 1111
Total	6773	1111

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		
	n/a		
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.

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		n/a			
5	In 5 years					
6	In 6 to 10 years					
7	In 11 to 15 years					
8	In 16 to 20 years					
9	Subsequent					

* 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)

1

2

3

4

5

6

7

8

(b)

9

10

11

12

13

14

15

16

(c)

17

18

19

20

21

22

23

24

(d)

25

26

27

28

29

30

31

32

(e)

33

34

35

36

37

38

39

40

n/a

27.—LEASE COMMITMENTS—PRESENT VALUE

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)	n/a					
6							
7							
8							
9							
10	Total						

2A.—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		

n/a

29. Give details of long-term outstanding at the close of the year as stated for accounts (210), (211), and (213) in section 16.

Description of obligation	Date of issue	Date of maturity	Interest rate (percent)	Balance at close of year
E.J. Starck			7%	\$ 40000
J.J. Starck			9%	5000
Jeffrey Starck			9%	5000
James J. Starck				30000
E.J. Starck				20000
Anne Starck				5000
James J. Starck				25000
Tracy Starck				6000
Heather Starck				6000
Steven Starck				6000
R.J. Starck				7000
Alyssa Starck				6000
David Starck				6000
R.E. Starck				13000
Total	xxx	xxx	xxx	180000

30. Give details of advances payable for each item of \$1,000 or more included in account (212), section 16. Items of less than \$1,000 may be combined in a single entry and described as "Minor items each less than \$1,000."

Name of creditors and nature of advance	Rate of interest (percent)	Balance at close of year
	\$	\$
None		
Total	xxxxxxxx	

31. Give details of balance of capital stock outstanding at the close of the year stated for account (240) in section 16.

Line No.	Title and Description (a)	Number of Shares (b)	Amount (c)
	Par value:		\$
1			
2			
3			
4			
5	Total par value		
6	Nonpar Common Stock- Stated Value 10¢	310000	31000
7	Grand total - Par value and nonpar stock	310000	31000

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	\$ 174068	xxx
2	(300) Equity in undistributed earnings (losses) of affiliated companies at beginning of year	xxx	
3	(300) Income balance (Sec. 33)	9485	
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		xxx
8	(312) Dividend appropriations of earned surplus	183553	xxx
9	(270) Earned surplus (or deficit) at close of year	xxx	none
10	Equity in undistributed earnings (losses) of affiliated companies at end of year	xxx	xxx
11	Balance from line 10(c)	none	xxx
12	Total unappropriated earned surplus and equity in undistributed earnings (losses) of affiliated companies at end of year (lines 9 and 11)	183553	xxx

Net of assigned income taxes: account 301 \$ (explain)
 account 310 (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)	\$ 812248
2	(410) Operating expenses (Sec. 35)	776733
3	*Net revenue from forwarder operations (line 1; line 2)	35515
4	(411) Transportation tax accruals (Sec. 36)	
5	*Net revenue, less taxes, from forwarder operations (line 3; line 4)	35515
OTHER INCOME		
6	(401) Dividend (other than from affiliates) and interest income	14334
7	(402) Release of premium on long-term debt	
8	(403) Miscellaneous income	
9	Income from affiliated companies	
10	Dividends	
10	Equity in undistributed earnings (losses)	14334
11	Total other income	49849
12	*Total income (line 5; line 11)	
MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(412) Provision for uncollectible accounts	6000
14	(413) Miscellaneous tax accruals	
15	(414) Miscellaneous income charges	333
16	Total income deductions	6333
17	*Income from continuing operations before fixed charges (Lines 12, 16)	43516
FIXED CHARGES		
18	(420) Interest on long-term debt	19247
19	(421) Other interest deductions	
20	(422) Amortization of discount on long-term debt	19247
21	Total fixed charges	
22	(423) Unusual or infrequent items	
23	*Income from continuing operations before income taxes (lines 17, 21, 22)	24269
PROVISION FOR INCOME TAXES		
24	(431) Income taxes on income from continuing operations (Sec. 36)	14784
25	(432) Provision for deferred taxes	
26	Income (loss) from continuing operations (lines 23-25)	9485
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)	
30	*Income before extraordinary items (lines 26, 29)	9485
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	none
35	(452) Cumulative effect of changes in accounting principles**	
36	Total extraordinary items and accounting changes (lines 34, 35)	none
37	*Net income transferred to earned surplus (lines 20, 36)	9485
*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—~~XX~~— Deferral—

(b) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit— \$ (5696)

(c) If deferral method was elected, indicate amount of investment tax credit utilized as reduction of tax liability for current year— \$ none

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes— (\$ none)

Balance of current year's investment tax credit used to reduce current year's tax accrual— \$ (5696)

Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual— \$ none

Total decrease in current year's tax accrual resulting from use of investment tax credits— \$ (5696)

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.)

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	\$ 2780180
	II. TRANSPORTATION PURCHASED—DR.	
2	511. Railroad transportation	256327
3	512. Motor transportation	
4	513. Water transportation	2054919
5	514. Pick-up, delivery, and transfer service	5596
6	515. Other transportation purchased*	2316842
7	Total transportation purchased	463338
8	Revenue from transportation (line 1 minus line 7)	
	III. INCIDENTAL REVENUE	
9	521. Storage—Freight	
10	522. Rent revenue	348910
11	523. Miscellaneous	348910
12	Total incidental revenues	812248
13	Total operating revenues (line 8 plus line 12)	

*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	\$ 621
2	602. Traffic department salaries	308711
3	603. Law department salaries	
4	604. Station salaries and wages*	
5	605. Loading and unloading by others	
6	606. Operating rents	88850
7	607. Traveling and other personal expense	63989
8	608. Communications	54683
9	609. Postage	6645
10	610. Stationery and office supplies	60505
11	611. Tariffs	3706
12	612. Loss and damage—Freight	21723
13	613. Advertising	9954
14	614. Heat, light, and water	
15	615. Maintenance	17652
16	616. Depreciation and amortization	
17	617. Insurance	64330
18	618. Payroll taxes (Sec. 36)	21206
19	619. Commissions and brokerage	5868
20	620. Vehicle operation (Sec. 36)	
21	621. Law expenses	4564
22	622. Depreciation adjustment	
23	630. Other expenses	43726
24	Total operating expenses	776733

*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) Trans- portation 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	\$	\$	\$ 21206	\$	\$ 21206
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					
9	Federal income taxes		11173 3611			11173 3611
10	State income taxes					
	(Other taxes (describe))					
11	(a) _____					
12	(b) _____					
13	(c) _____					
14	(d) _____					
15	(e) _____		14784	21206		35990
16	Total					

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	N/A		\$	\$
2				
3				
4				
5				
6				
7				
8	Total			

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	May	August	November	
1	General office employees:					
2	Officers	2	2	2	2	\$ 42965
3	Clerks and attendants	1	1	1	1	7647
4	Total	3	3	3	3	50612
5	Traffic department employees:					
6	Officers	1	1	1	1	13170
7	Managers	5	5	5	5	85537
8	Solicitors	4	4	4	4	19732
9	Clerks and attendants	16	19	23	23	139660
10	Total	26	29	33	33	258099
11	Law department employees:					
12	Officers					
13	Solicitors					
14	Attorneys					
15	Clerks and attendants					
16	Total					
17	Station and warehouse employees:					
18	Superintendents					
19	Foremen					
20	Clerks and attendants					
21	Laborers					
22	Total					
23	All other employees (specify):					
24	Total					
25	Grand total	29	32	36	36	308711

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	5379
2	Number of shipments received from shippers	3351

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	Robert J. Starck	Asst. Sect/Treas	\$ 18560	\$ 0
2	Richard E. Starck	President	24405	0
3	James J. Starck	Vice-President	13170	0
4				
5	IN ADDITION TO THE ABOVE THE FOLLOWING ARE OFFICERS OF STARCK VAN LINES, INC., AND			
6	RECEIVED SALARY'S AS FOLLOWS:			
7				
8				
9	Robert J. Starck		5845	676
10	Richard E. Starck		3000	989
11	James J. Starck		3000	562
12				
13				
14				
15				
16				
17				
18				
19				
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22				
23				
24				
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27				
28				
29				
30				

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 or have 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							
3							
4							
5							
6							
7							
8							
9				None			
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
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26							
27							
28							
29							
30							

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

NAME Richard E. Starck TITLE President
TELEPHONE NUMBER 412 681-7533
(Area code) (Telephone number)
OFFICE ADDRESS R.D. # 1 Burgettstown, Pennsylvania 15021
(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 Washington) ss:

Richard E. Starck

makes oath and says that he is

President

(Insert here the official title of the affiant)

of Ocean Air International, Inc.

(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.

RE Starck

(Signature of affiant)

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

this 13 day of May, 1979.

My commission expires June 19, 1980

[USE AN L. 5.
IMPRESSION
SEAL]

John A. Parnish
(Signature of officer authorized to administer oaths)