

FF 000407

PROFIT BY AIR, INC.

1979

1

FF000407

Freight Forwarders
(Class A)

ORIGINAL

Annual Report Form
F-1

1979

Due: March 31, 1980

Approved by GAO
B-180230 (R0254)
Expires

121018

1. CORRECT NAME AND ADDRESS IF DIFFERENT THAN
SHOWN. (See instructions)

RECEIVED

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)FF000407 Profit By A A 0 A 1817
Profit By Air, Inc.
P.O. Box 388
Valley Stream, NY 11582

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:

February 21, 1968

New York

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

Name	Address	Term Expires (Next Annual Meeting Scheduled for December 1980)
Harvey E. Pittluck	17706 Camino de Yatasto, Pacific Palisades, CA	
Silas Spengler	36 Cowdin Circle, Chappeque, NY	
Stuart Brown	139 Livingston Manor, Liberty, NY	
Morris Kritz	127 Martin Drive, Harrington, NJ	

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

Name	Title
Harvey E. Pittluck	President
William F. Ermer	Executive Vice President
Silas Spengler	Secretary
Morris Kritz	Senior Vice President - Finance & Treasurer

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

A. Total voting securities outstanding:

	shares	votes
(1) Common 100	100	
(2) 1st Preferred		
(3) 2nd Preferred		
(4) Other securities		

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 ONE (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)
PBA, Inc.	c/o Profit By Air, Inc. P.O. Box 388 Valley Stream, NY 11582	100	100			

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.

NOT APPLICABLE

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.

NOT APPLICABLE

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 _____

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 _____

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

NONE

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:

Profit By Air, Inc. (Puerto Rico) (Included in consolidated figures herein)
 100% of voting power - controls no other company.

Airfreight del Peru S.A. - 100% of voting power - controls no other company.

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:

PBA, Inc. - controls 100% of voting power of Profit By Air, Inc.

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)
		I. CURRENT ASSETS	
1	\$ 631,493	(100) Cash	\$ 1,159,095
2	1,670,387	(101) Special cash deposits (Sec. 18)	1,007,220
3	XXXXXX	(102) Temporary cash investments	XXXXXX
4	550	1. Pledged \$	1,300
5		2. Unpledged \$	
6	XXXXXX	(103) Working advances	XXXXXX
7	XXXXXX	(104) Notes receivable	XXXXXX
8	8,318,810	(105) Accounts receivable	10,744,711
9	12,016	(106) Less: Reserve for doubtful accounts	580,108
10		(107) Accrued accounts receivable	25,428
11		(108) Materials and supplies	
12		(109) Other current assets	
13	10,633,256	(110) Deferred income tax charges (Sec. 19)	12,391,110
		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	132,790	Total special funds	122,384
		III. INVESTMENT SECURITIES AND ADVANCES	
19	21,504	(130) Investments in affiliated companies (Sec. 20)	21,504
20	XXXXXX	1. Pledged \$	XXXXXX
21		2. Unpledged \$	
22	133,753	Undistributed earnings from certain investments in affiliated companies (Sec. 21)	127,185
23	XXXXXX	(131) Other investments (Sec. 20)	XXXXXX
24		1. Pledged \$	
25		2. Unpledged \$	127,185
26	155,257	(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	148,689
		IV. TANGIBLE PROPERTY	
27	XXXXXX	(140) Transportation property (Sec. 22-A)	XXXXXX
28	2,228,764	(149) Less: Depreciation and amortization reserve	
		Transportation property (Sec. 22-B)	1,595,501
29	XXXXXX	(160) Nontransportation property (Sec. 23)	XXXXXX
30		(161) Less: Depreciation reserve	
		Nontransportation property (Sec. 23)	
31	2,228,764	Total tangible property	2,480,424
		V. INTANGIBLE PROPERTY	
32	4,645	(165) Organization	4,323
33	4,645	(166) Other intangible property	4,323
34		Total intangible property	
		VI. DEFERRED DEBITS AND PREPAID EXPENSES	
35	229,840	(170) Prepayments	140,036
36	46,417	(172) Other deferred debits	30,590
37		(173) Accumulated deferred income tax charges (Sec. 19)	
38	276,257	Total deferred debits and prepaid expenses	170,626
		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 \$	
46	13,430,969	2. Unpledged \$	
		TOTAL ASSETS	15,317,556
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	3,679	(200) Notes payable	7,559
49	6,714,597	(201) Accounts payable	7,157,999
50		(202) Accrued interest	
51		(203) Dividends payable	
52	286,020	(204) Accrued taxes	317,589
53	598,521	(205) Accrued accounts payable	740,611
54		(208) Deferred income tax credits (Sec. 19)	
55	724,363	(209) Other current liabilities	722,807
56	8,327,180	Total current liabilities	8,946,565
		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	236,894	(220) Insurance reserves	180,369
66		(221) Provident reserves	
67		(222) Other reserves	
68	236,894	Total reserves	180,369
		XI. DEFERRED CREDITS	
69	5,600	(231) Other deferred credits	5,600
70		(232) Accumulated deferred income tax credits (Sec. 19)	
71	5,600	Total deferred credits	5,600
		XII. CAPITAL AND SURPLUS	
72	1	(240) Capital stock (Sec. 31)	1
73	1,487,132	(241) Premiums and assessments on capital stock	1,487,132
74	1,487,133	Total (Lines 70 and 71)	1,487,133
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)	1,487,133
79		(243) Proprietary capital	
80		(250) Unearned surplus	
81	XXXXXXX	1. Paid in \$ 2. Other \$	XXXXXXX
82	3,374,162	(260) Earned surplus—Appropriated	4,697,889
83		(270) Earned surplus—Unappropriated (Deficit in paren.) (Sec. 32)	
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	4,861,295	Total capital and surplus	6,185,022
89	13,430,969	TOTAL LIABILITIES	15,317,556
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 \$ 235,879

(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 \$

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

Product 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 \$ NONE

Total pension costs for year:

Normal costs \$ 656,599

Amortization of past service costs \$ NONE

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

		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		

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 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.

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		
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 these 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	21,504					21,504
19	Noncarriers (Show totals only for each column)	21,504					21,504
20	Total (lines 18 and 19)						

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	293,458	256,336
2	Contingent rentals	22,091	19,294
3	Sublease rentals		
4	Total financing leases	315,549	275,630
	Other leases		
5	Minimum rentals	1,439,068	1,051,849
6	Contingent rentals	39,919	
7	Sublease rentals	(170,142)	148,820
8	Total other leases	1,308,845	903,029
9	Total rental expense of lessee	1,624,394	1,178,659

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	\$ 353,600	\$ 1,401,400	\$ 1,755,000		\$ 60,200
2	In 2 years	389,000	919,300	1,308,300		30,000
3	In 3 years	427,900	792,400	1,220,300		30,000
4	In 4 years		718,300	718,300		30,000
5	In 5 years		454,000	454,000		2,500
6	In 6 to 10 years		1,031,300	1,031,300		-
7	In 11 to 15 years		98,900	98,900		-
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	Various leases have renewal option and escalation clauses (some of which take
10	effect at the time of renewal only). If the amount of the escalation is clearly
11	indicated in the lease, such increase has been taken into account in computing
12	the minimum annual rental commitment. If the escalation occurs only in the case
13	of certain events, the minimum annual rental shown in the various schedules
14	reflects the current actual rental payments.
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	

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):						
6							
7							
8							
9							
10	Total						

The present value of a non-capitalized finance lease for automotive equipment is less than 5% of the sum of the long-term debt, stockholders' equity and the present value of the minimum lease commitments.

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		

A lease for automotive equipment is considered to be a non-capitalized finance lease. Had such a lease been capitalized, it would have had an effect on net earnings of less than 3%.

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 _____	\$ 3,374,162	xxx
2	(300) Equity in undistributed earnings (losses) of affiliated companies at beginning of year _____	xxx	
3	(300) Income balance (Sec. 33) _____	2,293,727	
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 _____	970,000	xxx
8	(312) Dividend appropriations of earned surplus _____	4,697,889	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) _____		
12	Total unappropriated earned surplus and equity in undistributed earnings (losses) of affiliated companies at end of year (lines 9 and 11) _____	4,697,889	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) _____	\$ 32,504,078
2	(410) Operating expenses (Sec. 35) _____	28,114,448
3	*Net revenue from forwarder operations (line 1; line 2) _____	4,389,630
4	(411) Transportation tax accruals (Sec. 36) _____	194,412
5	*Net revenue, less taxes, from forwarder operations (line 3, line 4) _____	4,195,218
OTHER INCOME		
6	(401) Dividend (other than from affiliates) and interest income _____	261,096
7	(402) Release of premium on long-term debt _____	
8	(403) Miscellaneous income _____	27,318
9	Income from affiliated companies:	
	Dividends _____	
10	Equity in undistributed earnings (losses) _____	
11	Total other income _____	288,414
12	*Total income (line 5; line 11) _____	4,483,632
MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(412) Provision for uncollectible accounts _____	212,303
14	(413) Miscellaneous tax accruals _____	35,935
15	(414) Miscellaneous income charges _____	
16	Total income deductions _____	248,238
17	*Income from continuing operations before fixed charges (Lines 12, 16) _____	4,235,394
FIXED CHARGES		
18	(420) Interest on long-term debt _____	
19	(421) Other interest deductions _____	
20	(422) Amortization of discount on long-term debt _____	
21	Total fixed charges _____	
22	(423) Unusual or infrequent items _____	
23	*Income from continuing operations before income taxes (lines 17, 21, 22) _____	4,235,394
PROVISION FOR INCOME TAXES		
24	(431) Income taxes on income from continuing operations (Sec. 36) _____	1,941,667
25	(432) Provision for deferred taxes _____	
26	Income (loss) from continuing operations (lines 23-25) _____	2,293,727
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) _____	2,293,727
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 _____	
35	(452) Cumulative effect of changes in accounting principles** _____	
36	Total extraordinary items and accounting changes (lines 34, 35) _____	
37	*Net income transferred to earned surplus (lines 30, 36) _____	2,293,727
*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 X Deferral

(b) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit \$ 63,683

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

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.)

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	\$ 80,874,757
1	501. Forwarder revenue	
	II. TRANSPORTATION PURCHASED—DR.	
2	511. Railroad transportation	2,380,157
3	512. Motor transportation	
4	513. Water transportation	6,141,317
5	514. Pick-up, delivery, and transfer service	39,849,205
6	515. Other transportation purchased*	48,370,579
7	Total transportation purchased	32,504,078
8	Revenue from transportation (line 1 minus line 7)	
	III. INCIDENTAL REVENUE	
9	521. Storage—Freight	
10	522. Rent revenue	
11	523. Miscellaneous	
12	Total incidental revenues	32,504,078
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":

ALL AIR TRANSPORT

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	\$ 2,973,967
2	602. Traffic department salaries	2,081,133
3	603. Law department salaries	
4	604. Station salaries and wages*	7,123,735
5	605. Loading and unloading by others	
6	606. Operating rents	1,749,542
7	607. Traveling and other personal expense	1,173,630
8	608. Communications	1,503,858
9	609. Postage	114,259
10	610. Stationery and office supplies	880,363
11	611. Tariffs	128,186
12	612. Loss and damage—Freight	693,946
13	613. Advertising	249,320
14	614. Heat, light, and water	256,647
15	615. Maintenance	488,391
16	616. Depreciation and amortization	518,471
17	617. Insurance	327,533
18	618. Payroll taxes (Sec. 36)	993,314
19	619. Commissions and brokerage	3,284,875
20	620. Vehicle operation (Sec. 36)	177,401
21	621. Law expenses	98,146
22	622. Depreciation adjustment	
23	630. Other expenses	3,297,731
24	Total operating expenses	28,114,448

*Includes debits totaling \$ 2,813,875 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	\$	\$	\$ 714,973	\$	\$ 714,973
2	Real estate and personal property taxes	194,412				194,412
3	Gasoline, other fuel and oil taxes					
4	Vehicle licenses and registration fees				9,047	9,047
5	Corporation taxes					
6	Capital stock taxes					
7	Federal excise taxes					
8	Federal excess profits taxes		1,780,269			1,780,269
9	Federal income taxes		161,398			161,398
10	State income taxes					
	Other taxes (describe)					
11	(a) Unemployment Taxes			240,083		240,083
12	(b) Disability			38,258		38,258
13	(c)					
14	(d)					
15	(e)					
16	Total	194,412	1,941,667	993,314	9,047	3,138,440

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	Accrued depreciation included in account (149) of sec. 16
	Make, kind and capacity (a)	Number of (b)		
1	Equipment	79	\$ 975,505	\$ 349,348
2				
3				
4	SEE SCHEDULE ATTACHED			
5				
6				
7				
8	Total	79	\$975,505	\$349,348

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	11	11	11	11	\$ 791,783
3	Clerks and attendants	153	156	148	170	2,182,184
4	Total	164	167	159	181	2,973,967
5	Traffic department employees:					
6	Officers	5	5	5	5	461,671
7	Managers	12	12	12	12	429,960
8	Solicitors	47	42	67	62	881,292
9	Clerks and attendants	24	24	25	22	308,210
10	Total	88	83	109	101	2,081,133
11	Law department employees:					
12	Officers					
13	Solicitors					
14	Attorneys					
15	Clerks and attendants					
16	Total	-0-	-0-	-0-	-0-	-0-
17	Station and warehouse employees:					
18	Superintendents	16	16	16	16	491,538
19	Foremen	-	-	-	-	-
20	Clerks and attendants	166	195	211	208	3,818,322
21	Laborers	171	171	171	171	2,813,875
22	Total	353	382	398	395	7,123,735
23	All other employees (specify):					
24						
25						
26						
27	Total					
28	Grand total	605	632	666	677	12,178,835

Length of payroll period: (Check one) ☒ one week; ☐ two weeks; ☐ other (specify):

ICC REPORT 12/31/79

VEHICLES

<u>YEAR</u>	<u>MAKE</u>	<u>NUMBER OF</u>	<u>BOOK VALUE</u>	<u>ACCRUED DEPRECIATION</u>
1966	Fontaine Flatbed	1	\$ 11,126	\$ 2,396
1967	Trailmobile Sem-Trailer	1	17,743	439
1968	Kentucky Semi-Trailers	4	12,952	7,645
1969	Ford Vans	2	7,728	7,728
1970	CTL Semi-Trailer	1	14,247	4,986
1970	Ford Van	1	973	973
1970	Gindy Semi-Trailers	3	30,263	9,939
1971	Ford Truck	1	4,713	4,713
1971	Ford Van	1	2,720	620
1971	Gindy Semi-Trailer	1	4,500	4,500
1971	GMC Van	1	2,987	2,987
1972	Fruhauf Trailer	1	7,797	4,348
1973	Ford Van	1	2,089	2,089
1973	International Truck	1	13,702	13,702
1974	Ford Van	1	7,000	5,250
1975	Dodge Truck	1	7,000	2,557
1975	Ford Trucks	4	63,333	38,623
1975	GMC Truck	1	12,243	7,335
1976	Ford Trucks	12	203,690	109,401
1976	Ford Van	1	6,884	4,271
1977	BMW Car	1	23,730	9,720
1977	Cougar Car	1	10,706	4,817
1977	Datsun Wagon	1	3,727	1,625
1977	Ford Wagon	1	7,738	5,158
1977	GMC Truck	1	12,316	3,817
1977	International Trucks	3	47,022	14,104
1977	Volkswagon Car	1	6,380	456
1978	Cadillac Car	1	14,102	4,030
1978	Ford Vans	2	13,925	3,209
1978	GMC Van	1	5,680	1,684
1978	International Trucks	13	193,155	44,629
1978	Strick Semi-Trailer	1	17,130	5,079
1979	Dodge Van	1	6,805	2,009
1979	Ford Trucks	2	26,115	1,038
1979	GMC Van	1	10,090	360
1979	International Trucks	4	66,780	5,334
1979	Lincoln Car	1	13,575	3,655
1979	Mercedes Car	1	30,575	756
1979	Trailmobile Semi-Trailer	1	23,119	3,049
1979	Chevrolet Car	1	9,145	317
		<u>79</u>	<u>\$ 975,505</u>	<u>\$ 349,348</u>

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	53,768
2	Number of shipments received from shippers	578,886

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	Harvey E. Pittluck	President	\$ 135,000	\$ 42,596 (1)
2	William F. Ermer	Sr. Vice President	105,000	37,020 (1)
3	Hector Serrano	Regional Vice Pres.	-	131,704 (2)
4	Morris Kritz	Sr. VP-Fin. & Treas.	70,000	11,346 (1)
5	John Ayala	Regional Oper. Mgr.	38,000 til 11/3/79 40,000 thereafter	47,766 (3)
6	Jose Delgado	Regional Mgr.-Sales	" " " " "	32,394 (3)
7	Dennis A. Bakal	Regional Vice Pres.	65,000	27,025 (1)
8	Stanley E. Klein	Vice President	62,000	26,480 (1)
9	Jimmy C. Henry	Regional Vice Pres.	57,000	4,521
10	Roger Ryan	Vice President	55,000	11,328 (1)
11	Peter C. Roth	V.P.-Accounting	50,000	4,735
12	Juan Remus	Vice President	50,000	4,756
13	Rachel Curbelo	Regional Vice Pres.	45,000	2,114
14	Samuel Schotsky	Dir. of Training	45,000	4,532
15	Oliver Stern	Charter Operations	45,000	2,637
16	Brian Healy	Vice President	40,000	4,029
17	Maxine Freeman	Vice President	40,000	4,029
18	Fermin Rodriguez	Internal Auditor	40,000	3,807
19	Jeff Paodis	Dir. of Marketing	40,000	3,878
20	Leonard Apostolo	Mktg. Grp.-Dir of Training	40,000	4,365
21	James Cummings	District Manager	41,000	5,438
22	Jesse Stancarone	Comm. Systems Spec.	38,000 til 7/2/79 40,080 thereafter	6,974
23				
24	(1) Bonus			
25	(2) Annual Salary \$80,000;	salary paid \$66,154	to 10/29/79 - deceased.	
26	Other compensation is	commission		
27	(3) Commissions			

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				N			
7				O			
8				N			
9				E			
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

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

NAME Edward B. Kornfeld TITLE Assistant Controller
TELEPHONE NUMBER (516) 791-1551
(Area code) (Telephone number)
OFFICE ADDRESS 80 W. Sunrise Highway Valley Stream, New York 11581
(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 New York
COUNTY OF Nassau ss.

Edward B. Kornfeld

makes oath and says that he is

Assistant Controller

(Insert here the official title of the affiant)

of Profit By Air, 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.

Edward B. Kornfeld
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and County above named, this 13th day of May, 1980.

My commission expires _____

[USE AN L. S.
IMPRESSION
SEAL]

Estelle M. Logan
(Signature of officer authorized to administer oaths)

ESTELLE M. LOGAN
Notary Public, State of New York
No. 30-4514397

Qualified in Nassau County

Commission Expires March 30, 1981