

RC-002700 REA EXPRESS, INC. 1980

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# ANNUAL REPORT

OF

REA EXPRESS, INC. (BANKRUPT)

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TO THE

## INTERSTATE COMMERCE COMMISSION

FOR THE

### YEAR ENDED DECEMBER 31, 1980



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## INTERSTATE COMMERCE COMMISSION

FOR THE

### YEAR ENDED DECEMBER 31, 1980

Name, official title, and office address of officer in charge of correspondence with the Commission regarding this report:

(Name) A. E. Larsen (Title) Controller

(Office address) 141 East 44th Street, New York, N. Y. 10017  
(Street and number, city, State, and ZIP Code)

## SCHEDULE 10—ORGANIZATION

1. State full and exact name of respondent making this report: REA Express, Inc. (Bankrupt)

doing business as \_\_\_\_\_

2. Name, title, telephone, and address of officer, owner or partner to whom correspondence concerning this report should be addressed.

A. E. LarsenController

(Name)

(Title)

Telephone Number

212557-8809

(Area Code)

(Telephone Number)

141 East 44th StreetNew YorkNew York 10017

(Number)

(Street)

(City)

(State and ZIP Code)

3. Address of office where accounting records are maintained:

141 East 44th StreetNew YorkNew York 10017

(Number)

(Street)

(City)

(State of ZIP Code)

4. Carrier is Corporation

(Individual, partnership, corporation, association, etc.)

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

Name

Address

Proportion of interest

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

A. Incorporation or organization was—

In the State of Delawareon December 7, 19 28

B. The directors' names, addresses, and terms of office are:

Name

Address

Term expires

Number of voting  
shares of carrier  
actually or bene-  
ficially owned

NONE

C. The names and titles of principal general officers are:

Name

Title

Number of voting  
shares of carrier  
actually or bene-  
ficially owned

NONE



## SCHEDULE 10—ORGANIZATION—Concluded

## 7. Voting power, elections and stockholders:

## A. Total voting securities outstanding:

(1) Common	2,416,268	shares	2,416,268	votes
(2) Preferred	0	shares	0	votes
(3) Other securities	0	shares	0	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. Date of the latest closing of the stock book, or listing of stockholders, if within 1 year prior to the actual filing of this report. If book is not closed or list prepared within year indicated, check here ☒ and answer item 7-D as of the last day of the reporting period.

## D. State for each class of stock the total number of stockholders of record, corresponding to the answer to item 7-C.

(1) Common	3
(2) Preferred	
(3) Other	

8. Give names of the ten security holders of the respondent who, at the date corresponding to the answer to item 7-C, 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.

Line No.	Name of security holders (a)	Address (b)	Number of votes to which security holder was entitled (c)	Number of Votes, Classified		
				Common (d)	Preferred (e)	Other Securities (f)
1	REA Holding Corporation	141 East 44th St.	2,395,508	All		
2		New York, N.Y. 10017				
3						
4	Florida East Coast	1 Malaga Street	12,456	All		
5	Railway Company	St. Augustine, Fla.				
6		32084				
7						
8	Chicago Great Western	400 West Madison St.	8,304	All		
9	Railway Company	Chicago, Ill. 60607				
10						

9. If respondent was formed by consolidation or merger during year, furnish following for each transaction: Name of carriers, name of authorizing regulatory body, identification number for such authorization, and date consummated:

List names of carriers acquired during year, and furnish name of authorizing regulatory body, identification number for such authorization, and date consummated:

If operations of any of above carriers are included in this report, furnish names and periods of operations covered:

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

11. If 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 acquired \_\_\_\_\_  
 D. Name of receiver, receivers, or trustee \_\_\_\_\_

12. 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 November 6, 1975 Bankruptcy No. 75B-253  
 B. Authority for trusteeship Bankruptcy, U.S. District Court SDNY  
 C. Name of trustee C. Orvis Sowerwine  
 D. Name of beneficiary or beneficiaries Creditors of REA Express, Inc.  
 E. Purpose of trust Liquidation of the Bankrupt Estate



### SCHEDULES 13-A THROUGH 13-D-RELATIONSHIP OF RESPONDENT WITH AFFILIATED COMPANIES

Enter below in the appropriate schedule, No. 13-A through 13-D, the names of all companies, corporate and noncorporate, which are affiliated with the respondent and submit the information requested in each schedule. Control for the purpose of these schedules shall be construed to include sole or jointly held control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control. For the purposes of these schedules, forms of control shall include the following (among others):

1. Right through ownership of securities, an agreement of some character or through some other source to name the majority of the board of directors, managers, or trustees of the controlled company.
  2. Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled company.
  3. Right to secure control in consequence of advances made for construction of the operating property of the controlled company.
- Right to control only in a specific respect the action of the controlled company or a lessee interest in the property of a company is not to be classed as a form of control over the lessor company.

### SCHEDULE 13-A-COMPANIES CONTROLLED BY RESPONDENT

1. Enter in column (a) the names of all companies which are controlled solely or jointly by the respondent. If the respondent obtained control over a company during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.
2. In column (b) indicate the principal business activity of each company listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control of the respondent in the controlled company. If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter names of other companies, if any, that jointly control the companies listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	If Jointly Controlled Name Other Parties to the Agreement (e)
1					
2					
3	REXCO, Inc.		Direct	100% of Stock Owned by Respondent	
4					
5					
6					
7					
8					
9					
10	Railway Express Agency, Incorporated of Virginia		Direct	100% of Stock Owned by Respondent	
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					

## SCHEDULE 13-B.-COMPANIES INDIRECTLY CONTROLLED BY RESPONDENT

1. Enter in column (a) the names of all companies which are controlled through intermediary companies. If control was obtained during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control over companies listed in column (a). If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter the names of intermediate companies through which control is exercised over companies listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	Name of Intermediary Through Which Control Exists (e)
1	(A) Rexco Supply Corporation	Distributor of Automotive parts and Supplies	Indirect	100%	REXCO, Inc. owns 100% of the stock of Rexco Supply Corp.
2					
3					
4					
5	Fast Service Shipping Terminals Inc.	Freight Consolidator	Indirect	100%	REXCO, Inc. Owns 100% of the Stock of Fast Service Shipping Terminals.
6					
7					
8					
9	(A) Adjudicated Bankrupt 11/6/75,	Bankruptcy No. 75B254			
10					

## SCHEDULE 13-C.-COMPANIES UNDER COMMON CONTROL WITH RESPONDENT

1. Enter in column (a) the names of all companies which are controlled by the same interest that control the respondent.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control over companies listed in column (a). If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter the name of companies controlling those listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	Name of Controlling Company or Individual (e)
1	(B) The Express Company, Inc.	International Air Freight Forwarder	Direct 100% Ownership of all stock	100%	REA Holding Corporation
2					
3					
4					
5	Hexair Freight, Inc.	Domestic Air Freight Forwarder	Direct 100% Ownership of all stock	100%	REA Holding Corporation
6					
7					
8					
9	(B) Adjudicated Bankrupt 11/6/75,	Bankruptcy No. 75B252			
10					



# SCHEDULE 13-D.-COMPANIES CONTROLLING RESPONDENT

1. Enter in column (a) the names of all companies controlling the respondent. Commence with the company which is most remote followed by the company immediately controlled by it. If control over the respondent or control over an intermediary through which respondent is controlled has changed during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised by the company immediately controlled by it.
4. In column (d) indicate the extent of control. If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.

Line No.	Name of Controlling Company or Individual (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)
1				
2				
3	REA Holding Corporation		Direct -	
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Note: REA Holding Corporation adjudicated bankrupt 11/6/75.

Bankruptcy No. 75 B 251

## SCHEDULE 15.-STOCKHOLDERS REPORTS

1. 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.



## Schedule 100.-COMPARATIVE STATEMENT OF FINANCIAL POSITION-ASSETS

For instructions covering this schedule, see the text pertaining to Balance Sheet Accounts in the Uniform System of Accounts for Express Companies. The entries in this balance sheet should be consistent with those in the supporting schedules indicated.

Line No.	Schedule No.	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)
<b>Current Assets</b>				
1	(111)	Cash*	\$ 512,284	\$ 629,448
2	(112)	Temporary Investments	8,676,219	8,406,365
3	(113)	Notes Receivable	4,026	5,168
4	(114)	Accounts Receivable	2,748,225	2,722,539
		Less: Allowance for Uncollectible		
5		Receivables(Account 115)	1,636,346	1,679,377
6		Net Receivables	1,111,879	1,043,162
7		Material and Supplies(Account 116)	-	-
8	(117)	Prepayments	-	914
9	(118)	Affiliate Receivables	-	-
10	(119)	Other Current Assets	735,119	738,841
11	(119-5)	Deferred Income Tax Charges**	-	-
12		Total Current Assets	11,039,527	10,823,898
<b>Tangible Property</b>				
13	(121)	Operating Property	2,246,965	2,246,965
14	(122)	Less: Accumulated Depreciation on		
15		Operating Property	701,584	701,584
16		Net Operating Property	1,545,381	1,545,381
17	(123)	Nonoperating Property	-	-
18	(124)	Less: Accumulated Depreciation on		
19		Nonoperating Property	-	-
		Net Nonoperating Property	-	-
		Total Tangible Property	1,545,381	1,545,381
<b>Investment Securities and Advances</b>				
20	(131)	Affiliate Investments	-	-
21	(131A)	Undistributed Earnings from certain		
22		investments in affiliated companies	-	-
23	(132)	Other Investments	85,814	361,566
		Total Investments and Advances	85,814	361,566
<b>Other Assets</b>				
24	(141)	Intangible Property	-	-
25	(142)	Less: Accumulated Amortization on		
26		Intangible Property	-	-
27		Net Intangible Property	-	-
28	(143)	Deferred Charges & Affiliate Receivables	1,568,064	1,569,493
29	(144)	Special Funds	-	-
30		Accumulated Deferred Income Tax Charges		
31		(Account 145)**	-	-
		Total Other Assets	1,568,064	1,569,493
		Total Assets	14,238,786	14,300,338

\* For compensating balances not legally restricted, see Schedule 110.

\*\* The totals of accounts 119-5, 145, 219-5 and 243 must correspond to the total of Federal income and other taxes deferred reported in Schedule 119-5.

## Schedule 100.-COMPARATIVE STATEMENT OF FINANCIAL POSITION-LIABILITIES AND EQUITY

Line No.	Schedule No.	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)
		<b>Current Liabilities</b>		
41	(211)	Current Long-Term Debt	\$ -	\$ -
42		Dividends Declared(Account 212)	-	-
43	(213)	Notes Payable	-	-
44	(214)	Accounts Payable	-	-
45	(215)	Income Taxes Accrued	-	-
46	(216)	Other Taxes Accrued and Withheld	5,092	6,691
47	(217)	Accrued Expenses	92,016	26,359
48	(218)	Affiliate Payables	-	-
49	(219)	Other Current Liabilities	47,692	47,692
50		Deferred Income Tax Credits(Account 219-5)**	-	-
51		<b>Total Current Liabilities</b>	<b>144,800</b>	<b>80,742</b>
		<b>Long-Term Obligations</b>		
52	(220)	Equipment Obligations(Account 221)	-	-
53	(220)	Bonds(Account 222)	-	-
54	(220)	Other Long-Term Obligations(Account 223)	-	-
55		<b>Total Long-Term Obligations</b>	<b>-</b>	<b>-</b>
		<b>Advances Payable</b>		
56	(231)	Affiliate Advances Payable	141,062	142,492
57	(232)	Other Advances Payable	-	-
58		<b>Total Advances Payable</b>	<b>141,062</b>	<b>142,492</b>
		<b>Other Liabilities</b>		
59	(241)	Accumulated Provision For Self-Insurance	-	-
60	(242)	Deferred Credits	118,384	93,994
61		Accumulated Deferred Income Tax Credits (243)**	-	-
62		<b>Total Other Liabilities</b>	<b>118,384</b>	<b>93,994</b>
		Deferred Liabilities - Prior to Chapter XI	(A) 67,695,334	67,707,649
		Deferred Liabilities - Chapter XI Period	(A) 19,849,239	19,846,217
		<b>Shareholders' Equity</b>		
63	(251)	Preferred Stock	-	-
64	(252)	Common Stock	2,530,450	2,530,450
65		Capital Stock Subscribed(Account 253)	-	-
66	(254)	Capital Surplus	-	-
67	(102A)	Retained Income-Appropriated	-	-
68	(102B)	Retained Income-Unappropriated	(76,126,301)	(75,987,024)
69		Less: Treasury stock (Account 256)	(114,182)	(114,182)
70		<b>Total Shareholders' Equity</b>	<b>(73,710,033)</b>	<b>(73,570,756)</b>
71		<b>Total Liabilities and Equity</b>	<b>14,238,786</b>	<b>14,300,338</b>

Note: (A) Schedule Page 7B



Rail Notes in Dispute and Accrued Interest Applicable Thereto

On September 30, 1971, REA Express, Inc. filed a suit in U. S. District Court for the Southern District of New York contending, among other things, that notes held by various Railroads issued in 1959, amounting to \$27,206,376 are null and void. Such notes had a maturity date of December 31, 1973, and \$24,744,217 of the total was subordinated to all other Long-Term Debt. Interest on such notes has not been paid to the Railroads since April 1, 1971. The Board of Directors, on December 21, 1971, directed that such notes be removed as Long-Term Debt of the Company. Furthermore, it was directed that no provision be made for interest on such notes.

In 1975, the I.C.C. concluded that the notes had been validly approved by the Commission. After a petition for reconsideration was denied, a three Judge District Court, also sitting by special designation as a Second Circuit court of Appeals, affirmed the Commission on November 18, 1975.

The U.S. Supreme Court on June 13, 1977 refused to hear an appeal and affirmed prior decisions that the debt was legally incurred and valid.

The amount of the notes, \$27,206,376, has been restored as Long-Term Debt which arose prior to Chapter XI. The total is included in "Other Advances Payable" of \$27,911,457.

At February 18, 1975, when REA began operations as a Debtor in Possession, retained earnings (deficit) and current liabilities excluded \$5,287,427 of such interest.



Deferred Liabilities - December 31, 1980Deferred Liabilities - Prior to Chapter XI (February 18, 1975)

<u>Account No.</u>	<u>Title of Account</u>	<u>Amount</u>
214	Accounts Payable	\$14,390,868
216	Other Taxes Accrued and Withheld	5,154,562
217	Accrued Expenses	14,034,732
218	Affiliate Payables	1,292,883
219	Other Current Liabilities	61,994
231	Affiliate Advances Payable	840,000
232	Other Advances Payable	27,911,457
241	Accumulated Provision for Self-Insurance	6,489
242	Deferred Credits	<u>4,002,349</u>
	Total Deferred Liabilities-Prior to Chapter XI (2/18/75) (Page 7)	<u>\$67,695,334</u>

Deferred Liabilities - Chapter XI Period (February 18, 1975 -  
November 6, 1975)

<u>Account No.</u>	<u>Title of Account</u>	<u>Amount</u>
211	Current Long - Term Debt	\$ 333,529
213	Notes Payable	45,807
214	Accounts Payable	9,277,818
216	Other Taxes Accrued and Withheld	4,168,659
217	Accrued Expenses	4,706,543
218	Affiliate Payables	410,751
219	Other Current Liabilities	65,039
220	Equipment Obligations	706,261
241	Accumulated Provision for Self-Insurance	5,493
242	Deferred Credits	<u>129,339</u>
	Total Deferred Liabilities - Chapter XI Period (2/18/75-11/6/75) (Page 7)	<u>\$19,849,239</u>

## Schedule 101.-RESULTS OF OPERATIONS

Report total operating revenues from schedule 300 on line 1 of column (b) and total operating expenses from schedule 500 on line 2 of column (b). Compute the ratios required on lines 27 and 28. Line 5 includes only dividends from investments accounted for under the cost method. Line 7 includes only dividends accounted for under the equity method. Line 8 includes the undistributed earnings(losses) from investments accounted for under the equity method. Line 9 represents the earnings(losses) of investee companies accounted for under the equity method.

Line No.	Schedule No.	Item (a)	Total (b)
<b>ORDINARY ITEMS</b>			
Carrier Operating Income			
1	(300)	Operating Revenues	\$ -
2	(500)	Operating Expenses	1,007,205
3		Net Carrier Operating Income	(1,007,205)
Other Income			
4	(610)	Noncarrier Income	7,730
	(620)	Interest and	1,092,537
5	(630)	Dividends(from investments under cost)	-
6	(640)	Other Income	7,501
7		Dividend Income(from investments under equity)	\$ XXXXXXXXXXXX
8		Equity in Undistributed Earnings(losses)	XXXXXXXXXXXX
9		Equity in Earnings(losses of affiliated companies-lines 7 + 8)	-
10		Total Other Income	1,107,768
11		Total Income	100,563
Other Deductions From Income			
12	(710)	Interest Expense	-
13	(720)	Debt Expense and Credit	-
14	(730)	Other Expenses	239,840
15		Total Other Deductions	239,840
16		Ordinary Income before Income Taxes	(139,277)
17	(810)	Income Taxes on Ordinary Income	\$ XXXXXXXXXXXX
18		Provision For Deferred Taxes(Account 820)	XXXXXXXXXXXX
19		Total Income Tax Deductions(lines 17 + 18)	-
20		Ordinary Income	(139,277)
<b>EXTRAORDINARY AND PRIOR PERIOD ITEMS</b>			
21		Extraordinary Items(net)(Account 910)	-
22		Prior Period Items(net)(Account 920)	-
23		Income Taxes on Extraordinary and Prior Period Items (Account 930)	-
24		Provision For Deferred Taxes-Extraordinary and Prior Period Items (Account 940)	-
25		Total Extraordinary and Prior Period Items	-
26		Net Income (or loss)	(139,277)
27		Operating Ratio(line 2 ÷ 1)(one decimal)	8
28		Ordinary income before income taxes ratio(line 16 ÷ line 1)(one decimal)	8



## Schedule 102.-STATEMENT OF RETAINED INCOME

## A.-APPROPRIATED

Line No.	Account No.	Description (a)	Balance at close of year (b)
1	(255-01)		\$
2			
3			
4			
5			
6		Total	

## B.-UNAPPROPRIATED

Line No.	Account No.	Description (a)	
		CREDITS	
1	(255-02)	Unappropriated Retained Income(or deficit) at beginning of year	
2		Equity in undistributed earnings(losses of affiliated companies at beginning of year	
3	(255-03)	Current Net Income	
4	(255-04)	Other Credits(detail):	
5		Amount of assigned income tax consequences	
6			
7			
8			
9			
		DEBITS	
10	(255-05)	Current Net Loss	
11	(255-06)	Dividend Appropriations:	
12		Preferred, \$ _____, _____ quarters to	
13		Preferred, \$ _____, _____ quarters to	
14		Common, \$ _____ per share	
15	(255-07)	Other Appropriations(detail):	
16			
17			
18			
19	(255-08)	Other Debits(detail):	
20		Amount of assigned income tax consequences	
21			
22			
23			
24			
25			
26	(255-02)	Unappropriated Retained Income(or deficit) at close of year	
27		Equity in undistributed earnings(losses) of affiliated companies at	
28		end of year	
29		Total unappropriated retained income and equity in undistributed earnings	



## Schedule 102.-STATEMENT OF RETAINED INCOME-CONTINUED

## B.-UNAPPROPRIATED

1. Show hereunder the items of the Retained Income Account of the respondent for the year, classified in accordance with the Uniform System of Accounts for Express Companies.
2. All contra entries hereunder should be indicated in parentheses.
3. Segregate in column (c) all amounts applicable to the equity in undistributed earnings(losses) of affiliated companies based on the equity method of accounting.
4. Line 3 (line 10, if debit balance), column (c) should agree with line 9, column (b), schedule 101. The total of columns (b) and (c), lines 3 and 10, should agree with line 26, column (b), schedule 101.
5. Include in column (b) only amounts applicable to Retained Income exclusive of any amounts included in column (b), schedule 101.

			Retained Income Accounts (b)	Equity in Undistributed Earnings of Affiliated Companies (c)	Line No.
			\$ (75,987,024)	\$ XXXXXXXXXXXXXXXX	1
			XXXXXXXXXXXXXXXXXX		2
					3
					4
					5
					6
					7
					8
Total Credits			(75,987,024)		9
			139,277		10
	Cash	Stock	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	11
	\$	\$	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	12
			XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	13
Total				XXXXXXXXXXXXXXXXXX	14
				XXXXXXXXXXXXXXXXXX	15
				XXXXXXXXXXXXXXXXXX	16
				XXXXXXXXXXXXXXXXXX	17
Total(255-07)			-0-	XXXXXXXXXXXXXXXXXX	18
					19
					20
					21
					22
Total(255-08)			-0-		23
Total Debits			139,277		24
Net Increase(decrease)during year			(139,277)		25
			(76,126,301)	XXXXXXXXXXXXXXXXXX	26
			XXXXXXXXXXXXXXXXXX		27
Balance from line 27(c)			-0-	XXXXXXXXXXXXXXXXXX	28
(losses) of affiliated companies					
at end of year, lines 26 and 28			(76,126,301)	XXXXXXXXXXXXXXXXXX	29

## SCHEDULE 104.—NOTES TO FINANCIAL STATEMENTS—Continued

## 3. Pension Costs: See Footnote \*

(a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year:-----

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund:----- \$-----

(c) Is any part of pension plan funded? Specify. Yes----- No-----

(i) If funding is by insurance, give name of insuring company:-----

(ii) If funding is by trust agreement, list trustee(s):-----

Date of trust agreement or latest amendment:-----

If respondent is affiliated in any way with the trustee(s), explain affiliation:-----

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under agreement:-----

(e)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify. Yes----- No-----

If yes, give number of the shares for each class of stock or other security:-----

(ii) Are voting rights attached to any securities held by the pension plan? Specify. Yes----- No----- If yes, who determines how stock is voted?-----

4. How did you elect to be taxed under the Internal Revenue Code:

☐ Sole Proprietorship or Partnership?

☒ Corporation?

5. Amount of Net Operating Loss Carryover remaining after filing a Federal Income Tax return for the current year: Computed for fiscal year ended June 30, 1980 \$ 17,959,545

6. Explain any stock purchase options granted to officers and employees

None

7. Explain any entires for net income or retained income restricted under provisions of mortgages and other arrangements

None

\*The U.S. District Court for the Southern District of New York issued a court order terminating the Supplemental Retirement Plan on November 6, 1975. The Pension Benefit Guaranty Corp. was subsequently appointed Trustee of the Plan.



## SCHEDULE 104.—NOTES TO FINANCIAL STATEMENTS

The notes listed below are provided for the purpose of disclosing supplementary financial information which is an important aspect of carrier operations. This information is not disclosed in the financial statements or schedules.

## 1. Depreciation Accounting:

The Internal Revenue Code (IRC) prescribes depreciation accounting that differs from the depreciation accounting prescribed by the Commission. Although the carrier may follow the Commission rules for accounting purposes, he may calculate his Federal Income Tax using IRC depreciation accounting.

If the carrier uses IRC depreciation accounting in either (a) or (b) below, show the dollar amount of any charges to account 900, Federal Income Tax Expense, that represents the difference between the IRS and Commission depreciation accounting. The dollar amount in each case should be a net figure. If there is a net increase, this should be indicated by parentheses.

(a) Show net increase or decrease in charges to account 900 caused by the difference between Accelerated Amortization of Emergency Facilities prescribed by the IRC (Section 168, formerly 124-A) and straight line depreciation prescribed by the Commission:

Current Year.....	\$	None
Accumulated since December 31, 1949.....	\$	None

(b) Show net increase or decrease in charges to account 900 caused by the difference between the following IRC guidelines and the Commission guidelines:

- Accelerated depreciation under section 167 of the IRC (December 31, 1953)
- Guideline lives pursuant to Revenue Procedure 62-21 (December 31, 1961)
- Guideline lives under the Class Life System (Asset Depreciation Range) as provided in the Revenue Act of 1971 (December 31, 1970).

Current Year.....	\$	None
Accumulated since the applicable date listed above.....	\$	None

## 2. Investment Tax Credit:

(a) Complete the section that applies to the accounting method you used for the Investment Tax Credit (Deferral or Flow Through) in the current year for tax accounting purposes.

Deferral Method	Deferred	Applied To Tax Accrual
	\$	
Beginning balance in Deferred Investment Tax Credit.....	480,883	XXXXXXXX
Investment Tax Credit from current year operations reported to the Internal Revenue Service.....	XXXXXXXX	\$
Amount of current year's (above) Investment Tax Credit deferred for accounting purposes.....		( )
Prior years Deferred Investment Tax Credit applied to reduce current year tax accrual.....	( )	
Other (specify, i.e., recapture) Expiration FYE 6/30/69.....	303,486	
Ending Balance in Deferred Investment Tax Credit (6/25/72 & 6/30/74.....	177,397	XXXXXXXX
Total Investment Tax Credit applied to current year tax accrual.....	XXXXXXXX	

## Flow-Through Method

Show net increase (or decrease) in tax accrual because of the Investment Tax Credit.....

(b) Show estimated accumulated reduction in Federal Income Tax Expense since December 31, 1961, because of the Investment Tax Credit authorized by the Revenue Act of 1962, as amended, and the Revenue Act of 1971.....

-0-





State separately each item of \$10,000 or more reflected on the books at close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

Line No.	Account No.	Purpose of deposit (a)	Balance at close of year (b)
1	(00 to 81)	Cash and Working Funds	Total 174,258
2	91	Special Deposits of Interest:	
3			
4			
5	(92)	Special Deposits of Dividends:	Total -0-
6			
7			
8			
9	(93)	Miscellaneous Special Deposits:	Total -0-
10		Compensating balances legally restricted:	
11			
12			
13			
14	Other:		Total -0-
15			
16			
17			
18	(94)	Cash in Transit	Total 338,026
19			Total -0-
		Grand Total	512,284

Schedule Page 17-A

## Schedule 112.-TEMPORARY INVESTMENTS

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000"

Line No.	Account No.	Name of company or individual (a)	Description of security held (b)	Balance at Close of Year		
				Pledged (c)	Unpledge (d)	Total (e)
1		Irving Trust Company	C/D 16.25% 1/23/81	\$	\$ 600,000	\$ 600,000
2			C/D 10.15% 2/18/81		1,520,000	1,520,000
3			C/D 12.25% 2/18/81		909,750	909,750
4			C/D 10.70% 2/23/81		1,175,000	1,175,000
5			C/D 11.25% 2/25/81	1,395,969		1,395,969
6			C/D 16.25% 3/23/81		2,010,000	2,010,000
7			C/D 11.40% 3/23/81		1,065,500	1,065,500
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
			Total	1,395,969	7,280,250	8,676,219

Year 1980

17-A

## NOTES AND REMARKS

17-A

Account No.	Purpose of Deposit (a)	Balance at Close of Year (b)
----------------	---------------------------	------------------------------------

Schedule 111 Cash

(93)

Miscellaneous Special Deposits:

Protective Insurance Co.

\$ 100,000

Blue Cross - Blue Shield

103,437

Commercial Union Insurance Company  
(Performance Bonds)

96,755

Peerless Insurance Co. (Customs Bonds)

35,000

Minor items each less than \$10,000

2,834

Total - Page 17, Line 17

\$ 338,026



## Schedule 113.-NOTES RECEIVABLE

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000"

Line No.	Account No.	Name of debtor (a)	State whether secured or unsecured (b)	Date of issue (c)	Date of maturity (d)	Rate of interest (e)	Balance at close of year (f)
		(01) Customers:					\$
1							
2							
3							
4							
5							
6							
7							
8		Total	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXX	-0-
		(02) Employees:					
9							
10							
11							
12							
13							
14							
15		Total	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXX	-0-
		(03) Others:					
17							
18		Minor items each less than					
19		\$10,000	Unsecured	Various			4,026
20							
21							
22							
23							
24		Total	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXX	4,026
25		Grand Total	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXX	4,026

## Schedule 114.-ACCOUNTS RECEIVABLE

Show the requested information concerning accounts receivable reflected on the books at the close of the year.

Line No.	Account No.	Subaccount (a)	Balance at close of year (b)
			\$
		Customers and Interline:	
1		(01 and 10) Customers	18,344
2		(02, 11 and 17) Interline	-
3		Total	18,344
		Agents, Employees and Others:	
4		(03, 12 and 18) Agents	
5		(04) Employees	
6		(05 to 09 and 20) Others	2,700,203
7			
8		(114-19) Advances to employees	1,580
9		(114-21) Employee Travel Advances	28,098
10			
11			
12			
13			
14			
15			
16		Total	2,729,881
17		Grand Total	2,748,225

## Schedule 117.-PREPAYMENTS

Show the requested information for each of the subdivisions of this account.

Line No.	Account No.	Items (a)	Balance at close of year (b)
1	(01) Taxes and Licenses		\$
2	(02) Insurance		
3	(03) Interest		
4	(04) Rents		
5	(05) Miscellaneous		
7			
8		Total	-0-

## Schedule 118.-AFFILIATE RECEIVABLES

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000"

Line No.	Account No.	Name of debtor (a)	Date of issue (b)	Date of maturity (c)	Rate of interest (percent) (d)	Balance at close of year (e)
1	(01) Loans Receivable:					\$
2						
3						
4						
5						
6						
7						
8					Total	-0-
9	(02) Accounts Receivable:					
10	See Schedule 143 - Page 32.					
11						
12						
13						
14						
15						
16					Total	-0-
17	(03 and 04) Interest and Dividends Receivable:					
18						
19						
20						
21						
22						
23						
24					Total	-0-
25					Grand Total	-0-



## Schedule 121.-OPERATING PROPERTY

Account No.	Description of property (Subcontract)	Balance at beginning of year (b)	Additions and betterments during year (c)	Book cost of property retired (Schedule 121-A) (d)	Contra Account No. (e)	Amount (f)	Balance at close of year (g)
(01)	Land and Landrights	-	\$	\$		\$	-
(02)	Structures on Land Owned	-					-
(03)	Revenue Equipment	-					-
(04)	Service Cars and Equipment	-					-
(05)	Shop and Garage Equipment	-					-
(06)	Furniture & Office Equipment	7,779					7,779
(07)	Miscellaneous Equipment	-					-
(08)	Leasehold Improvements	-					-
(09)	Unfinished Construction	-					-
(10)	Structures on Land Not Owned	2,239,186					2,239,186
(11)	Unfin. Constr. Land Not Owned	-					-
(12)	Unfin. Constr. Leasehold Improv.	-					-
	<b>Total</b>	2,246,965					2,246,965

## Schedule 121-A.-OPERATING PROPERTY RETIRED DURING YEARNONE

Account No.	Description of property (Subcontract)	Books cost of property retired (b)	Depreciation accrued (c)	Amortization accrued (d)	Insurance recovered (e)	Salvage, trade-in, or other amount received, less cost of removal (f)	Gains or less on disposition (Account 261) (g)	Credit (h)	Other Items Dr. or Cr. Amount (i)
(01)	Land and Landrights	\$	\$	\$	\$	\$	\$	\$	\$
(02)	Structures on Land Owned								
(03)	Revenue Equipment								
(04)	Service Cars & Equip.								
(05)	Shop & Garage Equip.								
(06)	Furniture & Office								
(07)	Miscellaneous Equip.								
(08)	Leasehold Improvement								
(10)	Structures on Unowned								
	<b>Total</b>	0-	0-					-0-	

## Schedule 119.-OTHER CURRENT ASSETS

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

line No.	Account No.	Description (a)	Balance at close of year (b)
1	(01) Resale Property:		\$
2			
3			
4			
5			
		Total	-0-
6	(02) Salvage Property:		
7			
8			
9			
10			
		Total	-0-
11	(03) Miscellaneous:		
12		Cash deposits with Commercial Union Insurance Company for	
13		potential claims arising from traffic dated prior to 2/18/75	603,167
14		subsequent to 2/18/75	131,952
15			
16			
17		Total	735,119
18		Grand Total	735,119

## Schedule 123.-NONOPERATING PROPERTY

line No.	Description of property (a)	Purpose for which used (b)	Balance at close of year (c)
1			\$
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
		TOTAL	-0-

## Schedule 124.-ACCUMULATED DEPRECIATION ON NONOPERATING PROPERTY

Line No.	Description (a)	Balance at beginning of year (b)	Additions during Year (c)	Retirements during year (d)	OTHER ITEMS, Dr. or Cr.		Balance at close of year (g)
					Contra Account No. (e)	Amount (f)	
							\$ -0-



## Schedule 122.-ACCUMULATED DEPRECIATION ON OPERATING PROPERTY

Account No.	Description of property (a)	Balance at beginning of year (b)	CREDITS		DEBITS Depreciation accrued on property owned (Sch. 121-A) (d)	OTHER ITEMS, Dr. or Cr.		Balance at close of year (g)
			Charges to depreciation expense (c)			Contra Account No. (e)	Amount (f)	
		\$	\$		\$	\$		
	(02) Structures on Land Owned	-						-
	(03) Revenue Equipment	-						-
	(04) Service Cars and Equipment	-						-
	(05) Shop and Garage Equipment	-						-
	(06) Furniture and Office Equipment	6,548						6,548
	(07) Miscellaneous Equipment	-						-
	(08) Leasehold Improvements	-						-
	(09) Structures on Land Not Owned	695,036						695,036
	Total	701,584						701,584

## Schedule 119.-OTHER CURRENT ASSETS

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

line No.	Account No.	Description (a)	Balance at close of year (b)
1	(01) Resale Property:		\$
2			
3			
4			
5			
		Total	-0-
6	(02) Salvage Property:		
7			
8			
9			
10			
		Total	-0-
11	(03) Miscellaneous:		
12	Cash deposits with Commercial Union Insurance Company for		
13	potential claims arising from traffic dated prior to 2/18/75		603,167
14	subsequent to 2/18/75		131,952
15			
16			
17			
18		Total	735,119
		Grand Total	735,119

## Schedule 123.-NONOPERATING PROPERTY

line No.	Description of property (a)	Purpose for which used (b)	Balance at close of year (c)
1			\$
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
		TOTAL	-0-

## Schedule 124.-ACCUMULATED DEPRECIATION ON NONOPERATING PROPERTY

Line No.	Description (a)	Balance at beginning of year (b)	Additions during Year (c)	Retirements during year (d)	OTHER ITEMS, Dr. or Cr.		Balance at close of year (g)
					Contra Account No. (e)	Amount (f)	
	None	\$	\$	\$		\$	\$ -0-



## Schedule 132.-OTHER INVESTMENTS

Give the details of the securities and other obligations held by respondent during the year. Classify the investments by indicating the appropriate symbol (as shown on opposite page) in column (b).

Line No.	Name of company	Class symbol	Par, stated, or face value* of stocks or bonds	Balance at beginning of year	CHANGES MADE	
					Investments made Book cost	Investments Book cost
	(a)	(b)	(c)	(d)	(e)	(f)
1	Terminal Property Notes	D	\$	\$305,564	\$	\$
2	Terminal Property Notes	D		52,002		
3	Pinnacle Club	E	1,000	4,000		
4						
5						
6						
7						
8						
9						
10						
11						
12	Total			\$361,566		

\*For nonpar stock, without stated value, show the number of shares.

## Schedule 144.-SPECIAL FUNDS

Show the requested information for each item of \$10,000 or more recorded in account 144, Special Funds, during the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

Line No.	Name and purpose of fund	Description of security	Par, stated, or face value* of stocks or bonds	Balance at beginning of year
	(a)	(b)	(c)	(d)
1	NONE	\$	\$	\$
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16	Total			-0-

\*For nonpar stock, without stated value, show the number of shares.





Show the requested information for each of the accounts.

Line No.	Acct. No.	Description of changes during year (a)	Balance at beginning of year (b)	Additions during year (c)	Retirements during year (d)	Adjustments during year (e)	Balance at close of year (f)
1	(01) Organization		-0-				-0-
2	(02) Franchises		-0-	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
3			XXXXXXXXXX				-0-
4	(03) Patents		-0-				XXXXXXXXXX
5			XXXXXXXXXX				-0-
6	(04) Other		-0-				-0-
7	Total		-0-				-0-

## Schedule 142.-ACCUMULATED AMORTIZATION ON INTANGIBLE PROPERTY

Line No.	Acct. No.	Description (a)	Balance at beginning of year (b)	Additions during year (c)	Retirements during year (d)	OTHER ITEMS, DR. OR CR. Contract No. (e)	Amount (f)	Balance at close of year (g)
1	(01) Organization		-0-					-0-
2	(02) Franchises		-0-					-0-
3	(03) Patents		-0-					-0-
4	(04) Other		-0-					-0-
	Total		-0-			XXXXXX		-0-

## Schedule 143.-DEFERRED CHARGES &amp; AFFILIATE RECEIVABLES

Show the requested information separately for each issue of long-term or equipment obligations recorded in account 143-01, Debt Discount. State separately each item of \$10,000 or more recorded in accounts 143-02 to 143-05 at the close of the year. Items of less than \$10,000 may be combined in a single entry described "Minor items each less than \$10,000".

Line No.	Description (a)	Principal amount of debt to which related (b)	Original amount of discount and expense (c)	AMORTIZATION PERIOD		Balance in account at beginning of year (i)	Charges to account during year (g)	Credits to account during year (h)	Balance at close of year (j)
				From-- (d)	To-- (e)				
		\$	\$	Year	Year	\$	\$	\$	\$
1	143-01 Debt Discount:								
2									
3									
4	Total			XXXXXXXXXX	XXXXXXXXXX	-0-			-0-
5	143-03 Capital Stock Discount:								
6									
7									
8	Total					-0-			-0-
9	143-04 Capital Stock Commissions:								
10									
11									
12	Total					-0-			-0-
13	143-02 Other Deferred Debits:								
14	Charges due from IATA Carriers					42,116			42,116
15	Affiliate Receivables (Acct. 118)					1,527,377	1,429		1,525,948
16	Total					1,569,493	1,429		1,568,064
17	143-05 Interest:								
18	TOTAL					-0-			-0-
	Grand Total					\$1,569,493	1,429		1,568,064

## Schedule 214.-ACCOUNTS PAYABLE

Show the requested information concerning accounts payable reflected on the books at the close of the year.

line no.	Subaccount (a)	Close of Year Balance (b)
1	(01) Vendors:	-
2	(02) Interlines:	-
3	(03) Employees:	-
4	(04) Unremitted Paid Beyond:	-
5	(05) Others:	-
6	(06) Accrued Interlines:	-
7	(07) Garnishments:	-
8	TOTAL	-0-

## Schedule 218.-AFFILIATE PAYABLES

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

line no.	Name of creditor (a)	Date of issue (b)	Date of maturity (c)	Rate of interest (percent) (d)	Balance at close of year (e)
1	(01) Loans Payable:				
2	NONE				
3					
4					
5					
6					
7					
8					
9					
10				Total	-0-
11	(02) Accounts Payable:				
12	See Schedule 231, Page 38				
13					
14					
15					
16					
17					
18					
19					
20				Total	-0-
21	(03) Interest Payable:				
22	NONE				
23					
24					
25					
26					
27					
28				Total	-0-
29	(04) Dividends Payable:				
30	NONE				
31					
32					
33					
34					
35					
36				TOTAL	-0-
37				GRAND TOTAL	-0-



## Schedule 215.-INCOME TAXES ACCRUED

Line No.	Description (a)	Balance at close of year (b)
1	(01) Federal:	\$ -0-
2	(02) State:	-0-
3	(03) Local(describe):	-0-
4		
5		
6		
7	TOTAL	-0-

## Schedule 216.-OTHER TAXES ACCRUED AND WITHHELD

Line No.	Description (a)	Balance at close of year (b)
1	(01) Real Estate:	\$ -0-
2	(02) Personal Property:	-0-
3	(03) and (04) Railroad Retirement and Unemployment:	3,454
4	(06 to (08) Federal, State and City Withholdings:	1,638
	(05) and (10) Other(describe):	-0-
5		
6		
7		
8		
10	TOTAL	5,092

## Schedule 217.-ACCRUED EXPENSES

Line No.	Description (a)	Balance at close of year (b)
1	(01) Wages Payable:	\$ 2,633
2	(02) Interest:	-0-
3	(03) Rents:	-0-
4	(04) Insurance:	-0-
5	(08) to (11) Vacations:	-0-
6	(07) Other Accrued Expenses	69,000
7	(12) Group Insurance Withholdings	20,383
8		
9	Total	92,016

## Schedule 219.-OTHER CURRENT LIABILITIES

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

Line No.	Description (a)	Balance at close of year (b)
1	(02) Savings Bond Deductions	\$ 125
2	(03) Unremitted C.O.D.s	42,804
3	(05) Union Dues Deductions	4,763
4		
5		
6		
7		
8	Total	47,692

## Schedule 231.-AFFILIATE ADVANCES PAYABLE

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

Line No.	Account No.	Name of creditor (a)	Date of issue (b)	Date of maturity (c)	Rate of interest (percent) (d)	Balance at close of year (e)
		(01) Notes Payable:			\$	\$
1		None				-0-
2						
3						
4						
5						
6						
7		(02) Accounts Payable:				
8		The Express Company, Inc.				34,240
9		Rexco Supply Corporation				57,373
10		Fast Service Shipping Terminals Inc.				49,449
11						
12						
13						
14		(03) Interest Payable:				
15		None				-0-
16						
17						
18						
19						
20						
21						
Total						141,062

## Schedule 232.-OTHER ADVANCES PAYABLE

State separately each item of \$10,000 or more reflected on the books at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

Line No.	Name of creditor (a)	Date of issue (b)	Date of maturity (c)	Rate of interest (percent) (d)	Due within 1 year (account) (e)	Due after 1 year (account) (f)
	(01) Other Notes Payable:				211	232
1	None					-0-
2						
3						
4						
5						
6						
7	(02) Other Accounts Payable:					
8	None					-0-
9						
10						
11						
12						
13						
14	(03) Other Interest Payable:					
15	None					-0-
16						
17						
18						
19						
20						
21						
Totals					-0-	-0-



## Schedule 241.-ACCUMULATED PROVISION FOR SELF-INSURANCE

Show the requested information for each of the subdivisions of this account.

Line No.	Account No.	Description of property (a)	Character of risk (b)	Rate used (c)	Amount (d)
	(01) General Insurance:				\$
1		None			
2					
3					
4					
5					
6					
7			Total	xxxxxxx	-0-
	(02) Public Liability:				
8		None			
9					
10					
11					
12					
13					
14			Total	xxxxxxx	-0-
	(03) Workmen's Compensation:				
15		None			
16					
17					
18					
19					
20			Total	xxxxxxx	-0-
	(04) Surface Cargo Loss and		Surface	Air Cargo	Total
	(05) Air Cargo Loss		\$	\$	\$
21	Balance at beginning of year		13,017	-0-	13,017
	Credits during the year:				
22	(a) Through accruals charged to secondary account 12, Insurance				
	(b) Through reimbursement received from other carriers, insurance companies and salvage recovered		-	-	-
23	(c) Other credits		-	-	-
24	Total Credits		-	-	-
25	Debits during the year:				
	(a) Amounts payable to shippers, other carriers and insurance companies in settlement of claims		1,035	-	1,035
26	(b) Other Debits		-	-	-
27	Total Debits		1,035	-0-	1,035
28	Balance at end of year		11,982	-0-	11,982
29					
30	(06) Other:				-0-
31	For balance sheet presentation above bal-				
32	ances included in Deferred Liabilities Pg 7B:				
33	Cargo claims reserve for traffic prior to 2/18/75				6,489
34	Cargo claims reserve for traffic subsequent to 2/18/75 (Chapter XI)				5,493
35	Total				11,982
36	Grand Total (lines 7, 14, 20, 29 and 36)		xxxxxxxxxx	xxxxxxxxxx	11,982
37					

## Schedule 241.-SUPPLEMENTAL INFORMATION

Line No.	Description (a)	Amount (b)
	Detail of Account 12, Insurance (cargo loss and damage):	\$
38	(a) Insurance premiums-Net of refund	-0-
39	(b) Accruals for claims (see line 22)	-0-
40	(c) Claims charged directly to secondary account 12	-0-
41	(d) Other (describe)	-0-
42		
43		
44	Total	-0-
45	Total amount representing unsettled claims on the last day of the reporting period *	3,088,564

Explain basis for determining the amount accrued:

\*Represents total approved loss and damage claims unpaid at close of period and included in Accounts Payable (Account 214), Deferred Liabilities, Page 7B in the following amounts:

Prior to Chapter XI (2/18/75)	\$1,939,706
Chapter XI Period (2/18/75 - 11/6/75)	1,148,858
	\$3,088,564



## Schedule 242.-DEFERRED CREDITS

On lines 1 through 11, show the requested information separately for each issue of long-term or equipment obligations recorded in account 242, Deferred Credits, for unamortized premium on debt.

On lines 12 through 28, state each item of \$10,000 or more reflected in account 242, for other deferred credits at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items each less than \$10,000".

	Description (a)	Principal amount of debt to which related (b)	Original amount of premium (c)	AMORTIZATION PERIOD		Balance at beginning of year (f)	Credits to account during year (g)	Charges to account during year (h)	Balance at close of year (i)
				From— (year) (d)	To— (year) (e)				
1	Unamortized premium on debt:	\$	\$			\$	\$	\$	\$
2									
3									
4									
5									
6									
7									
8									
9									
10									
11	Total	-0-	-0-	x x x	x x x	-0-			-0-
	Other deferred credits:								
12									
13	Accruals for Penn Central Rents								\$ 47,134
14	Accrued Exp.-Cost of Handling Loss & Damage Surface Cargo Claims								35,000
15	Deposits on Sales of Operating Rights								36,250
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28								Total	118,384
29								Grand Total	118,384

Schedule 251.-REFINED STOCK  
Schedule 252.-COMMON STOCK

If the designation of any class of stock shown in column (a) is not sufficiently descriptive to identify clearly its dividend rights and equity in the assets of the respondent, a complete statement of the facts should be given.

For "Common" stock, state in column (a) whether par or nonpar, and if nonpar, indicate whether with or without stated value.

Give particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class if different in any respect.

In case of "Preferred" or "Debenture" stock is outstanding, the rate of dividends required should be shown in column (v) and it should be stated whether the dividends are cumulative or noncumulative.

[illegible]



## Schedule 504. OPERATING TAXES AND LICENSES

The taxes charged to secondary account 04 shall be segregated to show the amount paid to the Federal Government and the amount paid each State. Amounts paid to counties, municipalities, or other political subdivisions shall be included in the amount for the State in which situated. Line 54, column (g) should agree with schedule 500, line 56, column (f).

Line No.	Taxing authority (a)	Highway Use Tax (b)	Vehicle License & Register Fee (c)	Real Estate Personal Property (d)	Retirement & Unemployment (e)	Other Taxes (f)	Total (g)
1.	Federal			xxxxxxx	32,533	9	32,542
2	Alabama					30	30
3	Alaska					-	-
4	Arizona					-	-
5	Arkansas					11	11
6	California					462	462
7	Colorado					-	-
8	Connecticut					171	171
9	Delaware					743	743
10	Dist. of Columbia					185	185
11	Florida					10	10
12	Georgia					15	15
13	Hawaii					10	10
14	Idaho					10	10
15	Illinois					40	40
16	Indiana					15	15
17	Iowa					5	5
18	Kansas					20	20
19	Kentucky					30	30
20	Louisiana					50	50
21	Maine					30	30
22	Maryland					-	-
23	Massachusetts					228	228
24	Michigan					15	15
25	Minnesota					113	113
26	Mississippi					15	15
27	Missouri					10	10
28	Montana					10	10
29	Nebraska					-	-
30	Nevada					12	12
31	New Hampshire					-	-
32	New Jersey					15	15
33	New Mexico					20	20
34	New York					2,423	2,423
35	North Carolina					10	10
36	North Dakota					20	20
37	Ohio					41	41
38	Oklahoma					55	55
39	Oregon					50	50
40	Pennsylvania					-	-
41	Rhode Island					15	15
42	South Carolina					10	10
43	South Dakota					10	10
44	Tennessee					68	68
45	Texas					55	55
46	Utah					30	30
47	Vermont					35	35
48	Virginia					-	-
49	Washington					40	40
50	West Virginia					-	-
51	Wisconsin					17	17
52	Wyoming					-	-
53	Foreign countries					-	-
54	TOTAL				32,533	5,163	37,696

REA EXPRESS, INC.  
SCHEDULE 500 - OPERATING EXPENSES  
YEAR 1980

<u>Acct. No.</u>	<u>Account Title</u>	<u>Amount</u>
560 Finance &	Administration:	\$
-01	Payroll	228,927
-02	Employee Welfare	12,486
-04	Taxes & Licenses	37,696
-06	Supplies	2,178
-07	Services Purchased	107,278
-08	Unclassified	47,737
-09	Traveling	89
-10	Communications	7,002
-12	Insurance	2,882
-14	Professional Services	517,339
-17	Equipment Rentals	3,435
-20	Real Property Rentals	40,156
	Total	<u>\$1,007,205</u>



## Schedule 640.-OTHER INCOME

State separately each item included in the account during the year.

Line No.	Description of Item (a)	Amount (b)
1	(641-01) Miscellaneous Income	\$ -
2	Bankruptcy Recovery - Stock Sold	2,441
3	Insurance Refunds	4,078
4	Miscellaneous	982
5		
6		
7		
8		
9		
10	Total	7,501

## Schedule 710.-INTEREST EXPENSE

## Schedule 720.-DEBT EXPENSE AND CREDIT

Show the debt classification of interest expense recorded during the year.

Line No.	Description of each class of debt applicable. (a)	Amount (b)
1	(711-01) Advances	\$ -
2	(711-02) Bonds	-
3	(711-03) Equipment Obligations	-
4	(711-04) Other Long-term Obligations	-
5	(711-05) Current Obligations	-
6	(712) Affiliate Interest Expense	-
7	(721) Debt Discount Expense	-
8	(722) Debt Premium-CREDIT	-
9	Total	0 -

## Schedule 730.-OTHER EXPENSES

State separately each item reflected in the books at the close of the year.

Line No.	Description (a)	Amount (b)
1	(01) Contract Guarantees	\$ -
2		
3	(02) Loss Reimbursements	-
4		
5	(03) Nonoperating Bad Debts	-
6		
7	(04) Intangible Write-Offs	-
8		
9	(05) Nonoperating Donations	-
10		
11		
12	(06) Fines and Penalties	-
13		
14	(07) Excess Life Insurance Premiums	-
15		
16	(08) Sundry Expenses	-
17		
18		
19		
20		
21		
22	(09) Salvage Value of Revenue Equipment	-
23	(20) Gain or Loss on Sales of Assets	239,840
24	Total	239,840

## Schedule 526.-GAIN OR LOSS ON SALE OF ASSETS

Show the requested information for items included in secondary account 26.

Line No.	Description of items (a)	Amount (b)
1	None	
2		
3		
4		
5		
6		
Net Debit or Credit		-0-

## Schedule 610.-NONCARRIER INCOME-NET

Show the requested information concerning items included in the account during the year.

Line No.	Description of Operation (a)	Account 611 Total Revenue (b)	Account 612 Total Expenses (c)	Net Amount During Year (d)
1	(611-05) Rental - Operating Rights	4,730		4,730
2				
3	(611-06) Sales - Operating Rights	3,000		3,000
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	Total	7,730		7,730

## Schedule 620.-INTEREST INCOME

## Schedule 630.-DIVIDEND INCOME

Show the sources of interest and dividend income recorded during the current year.

Line No.	Source (a)	Account 620 Interest (b)	Account 630 Dividend (c)	Total (d)
1	(621 and 631) Investments: A/C 621-01	\$	\$	\$
2	Certificates of Deposit	1,056,049		1,056,049
3	U.S. Treasury Bonds (Adj.)	(349)		(349)
4	Special Escrow Deposits	36,227		36,227
5	Total	1,091,927		1,091,927
6	(623) Miscellaneous Interest Income:			
7	Sale of two Properties in Michigan	448		448
8	Miscellaneous	162		162
9				
10				
11				
12	Total	610		610
13	Grand Total	1,092,537		1,092,537



## Schedule 902.- EMPLOYEES, SERVICE, AND COMPENSATION

COLUMN 3-Total hours of straight time divided by 8 times the number of calendar days (less Saturdays, Sundays and holidays) in the month. This gives the number of persons required to accomplish the work done under straight time if each person worked 8 hours a day except Saturdays, Sundays and holidays.

COLUMN 4-There should be stated for each of the Reporting Divisions, the total number of hours paid for at straight time rates by the employees whose service is includible in the particular Division.

COLUMN 5-Overtime hours of all employees. COLUMN 6-Enter the total of columns 4 and 5. COLUMN 7-Enter the compensation for the time shown in column 4. COLUMN 8-Enter the compensation for the time shown in column 5.

COLUMN 9-Enter the total of columns 7 and 8.

SERVICE HOURS			COMPENSATION (WHOLE DOLLARS)			Line No.
TOTAL STRAIGHT-TIME HOURS (4)	OVERTIME HOURS (5)	TOTAL TIME PAID FOR (6)	TOTAL COMPENSATION FOR STRAIGHT TIME (7)	COMPENSATION FOR OVERTIME (8)	TOTAL COMPENSATION (9)	
1,992		1,992	40,743		40,743	1
13,456		13,456	155,666		155,666	2
15,448		15,448	196,409		196,409	3
						4
						5
1,992		1,992	16,020		16,020	6
						7
						8
1,992		1,992	16,498		16,498	9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
3,984		3,984	32,518		32,518	20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
19,432		19,432	228,927		228,927	31

## Schedule 902. EMPLOYEES, SERVICE AND COMPENSATION

Particulars of the numbers of employees, of the services rendered by them, and of the compensation paid for such services should be compiled in accordance with the following instructions:

COLUMN 1 "Reporting Divisions" refers to the divisions of employees shown in the Classification of Express Employees adopted by the Interstate Commerce Commission.

COLUMN 2 Number of employees actually at work, on leave with pay, or not working account of assigned day of rest, as of the 15th of the month of report, or as of the next preceding full day if the 15th falls on a Saturday, Sunday or holiday.

Line No.	D. V. No.	REPORTING DIVISION (1)	NUMBER OF EMPLOYEES AT MIDDLE OF MONTH (2)	NUMBER OF EMPLOYEE MONTHS (COMPUTED) (3)
		I. EXECUTIVES, OFFICIALS, AND STAFF ASSISTANTS		
1	1	Executive and general officers.....	1	1
2	2	Staff officials, division officers, and assistants.....	7	7
3	(901)	TOTAL (EXECUTIVES, OFFICIALS, AND STAFF ASSISTANTS).....	8	8
		II. PROFESSIONAL, CLERICAL, AND GENERAL		
4	3	Professional and subprofessional assistants.....		
5	4	Chief clerks (A).....		
6	5	Chief clerks (B), head clerks, and clerical specialists.....	1	1
7	6	Clerks.....		
8	7	Nonlisting, adding, and calculating-machine operators....		
9	8	Stenographers and typists.....	1	1
10	9	Office attendants.....		
11	10	Division supervisors.....		
12	11	Agents--office, depot, and terminal.....		
13	12	Foremen--vehicle, depot, and platform.....		
14	13	Warehouse and platform clerks.....		
15	14	Warehouse and platform laborers.....		
16	15-A	Vehicle employees: Agency service.....		
17	15-B	Vehicle employees: Over the road truck service.....		
18	16	Police.....		
19	17	Claim agents and claim adjusters.....		
20	(902)	TOTAL (PROFESSIONAL, CLERICAL, AND GENERAL).....	2	2
		III. TRAIN TRANSPORTATION		
21	18	Train messengers.....		
22	19	Train helpers and guards.....		
23	(903)	TOTAL (TRAIN TRANSPORTATION).....		
		IV. MAINTENANCE AND STORES		
24	20	Foremen.....		
25	21	Machinists.....		
26	22	Other craftsmen.....		
27	23	Apprentices and helpers--all trades.....		
28	24	Garage employees.....		
29	25	Laborers, unclassified.....		
30	(904)	TOTAL (MAINTENANCE AND STORES).....		
31	(905)	GRAND TOTAL, ALL EMPLOYEES.....	10	10



# Schedule 910. - CONTRACTS, AGREEMENTS, ETC.

Here give a concise statement of all important contracts, agreements, arrangements, etc., with other companies or persons, together with revisions, modifications, terminations, and other changes thereof, concerning the transportation of express matter or the conduct of express business, which became effective or were renewed during the year covered by this report. Give the statement in the following order:

1. Railroad companies.
2. Electric transportation companies or lines.
3. Carriers by water.
4. Motor carriers.
5. Other express companies.
6. United States Government.
7. Other contracts.

Information concerning contracts of minor importance may be omitted. A contract of minor importance is defined as one involving receipts or payments of less than \$25,000 per year, and which, by its terms, is otherwise unimportant.

Compliance with the requirements of this schedule does not relieve the respondent of the duty placed upon common carriers by Section 8(5), Part I, of the Interstate Commerce Act, which reads as follows:

"Every common carrier subject to this part shall also file with said Commission copies of all contracts, agreements, or arrangements with other common carriers in relation to any traffic affected by the provisions of this part to which it may be a party."

No. 1 - None

No. 2 - None

No. 3 - None

No. 4 - None

No. 5 - None

No. 6 - None

No. 7 - None

## VERIFICATION

To verify the foregoing report, both the Oath and the Supplemental Oath must be executed by one of the respective parties designated below. Alteration of the Verification, in any manner, is not permitted.

## OATH

(To be made only by the sole proprietor, partner, or officer, as may be applicable to the respondent)

STATE OF New York

COUNTY OF New York

A. E. Larsen  
(Insert here the name of the affiant)

Controller

(Insert here the title of the affiant)

of REA Express, Inc. (Bankrupt)

(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 knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; 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 report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including the 1st day of January, 1980, to and including, the 31st day of December, 1980.

A. E. Larsen  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and county above named, this 16th day of March, 1981.

My commission expires March 30, 1982.

Henry Fulle  
(Signature of officer authorized to administer oaths)

HENRY FULLE  
NOTARY PUBLIC, State of New York  
Qualified in Putnam County  
Commission Expires March 30, 1982

USE AN L. S.  
IMPRESSION  
SEAL

## SUPPLEMENTAL OATH

(To be made only by the sole proprietor, partner, president, or other chief officer, as may be applicable to the respondent)

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

\_\_\_\_\_ makes oath and says that he is

(Insert here the name of the affiant)

(Insert here the official title of the affiant)

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

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, to and including the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

(Signature of affiant)

Subscribed and sworn to before me, a \_\_\_\_\_, in and for the State and county above named, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires \_\_\_\_\_

USE AN L. S.  
IMPRESSION  
SEAL

(Signature of officer authorized to administer oaths)



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NOTE - The page numbers used in reports for 1974 and subsequent years have been retained in 1980 for easy reference.

Those pages not applicable in 1980 are listed above for completeness.