

RC-002700

REA EXPRESS

1981

002700

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ANNUAL REPORT

OF

REA EXPRESS, INC. (BANKRUPT)

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1981

ANNUAL REPORT

OF

REA EXPRESS, INC. (BANKRUPT)

TO THE

INTERSTATE COMMERCE COMMISSION.

FOR THE

YEAR ENDED DECEMBER 31, 1981

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, New York 10017

(Street and number, city, State, and ZIP Code)

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.
 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	Railway Express Agency, Incorporated of Virginia		Direct	100% of Stock Owned by Respondent	
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					

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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 2 3 4 5 6 7 8 9 10	(A) Rexco Supply Corporation Fast Service Shipping Terminals Inc. (A) Adjudicated Bankrupt 11/6/75,	Distributor of Automotive parts and Supplies Freight Consolidator Bankruptcy No. 75B254	Indirect Indirect	100% 100%	REXCO, Inc. owns 100% of the stock of Rexco Supply Corp. REXCO, Inc. Owns 100% of the Stock of Fast Service Shipping Terminals.

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 2 3 4 5 6 7 8 9 10	(B) The Express Company, Inc. Rexair Freight, Inc. (B) Adjudicated Bankrupt 11/6/75,	International Air Freight Forwarder Domestic Air Freight Forwarder Bankruptcy No. 75B252	Direct 100% Ownership of all stock Direct 100% Ownership of all stock	100% 100%	REA Holding Corporation REA Holding Corporation

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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	REA Holding Corporation		Direct -	99.14% of voting stock ownership
2				
3				
4				
5				
6				
7				
8				
9				
10				
11	Note: REA Holding Corporation adjudicated bankrupt 11/6/75. Bankruptcy No. 75 B 251		99.14% ownership of all outstanding stock of respondent	
12				
13				
14				
15				
16				
17				
18				
19				
20				

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 required.

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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)
Current Assets				
1	(111)	Cash*	\$ 452,794	\$ 512,284
2	(112)	Temporary Investments	12,471,393	8,676,219
3	(113)	Notes Receivable	2,882	4,026
4	(114)	Accounts Receivable	2,791,005	2,748,225
		Less: Allowance for Uncollectible		
5		Receivables(Account 115)	1,605,379	1,636,346
6		Net Receivables	1,185,626	1,111,879
7		Material and Supplies(Account 116)	-	-
8	(117)	Prepayments	-	-
9	(118)	Affiliate Receivables	-	-
10	(119)	Other Current Assets	181,679	735,119
11	(119-5)	Deferred Income Tax Charges**	-	-
12		Total Current Assets	14,294,374	11,039,527
Tangible Property				
13	(121)	Operating Property	2,246,965	2,246,965
14	(122)	Less: Accumulated Depreciation on		
14		Operating Property	701,584	701,584
15		Net Operating Property	1,545,381	1,545,381
16	(123)	Nonoperating Property	-	-
17	(124)	Less: Accumulated Depreciation on		
17		Nonoperating Property	-	-
18		Net Nonoperating Property	-	-
19		Total Tangible Property	1,545,381	1,545,381
Investment Securities and Advances				
20	(131)	Affiliate Investments	-	-
21	(131A)	Undistributed Earnings from certain		
21		investments in affiliated companies	-	-
22	(132)	Other Investments	85,814	85,814
23		Total Investments and Advances	85,814	85,814
Other Assets				
24	(141)	Intangible Property	-	-
25	(142)	Less: Accumulated Amortization on		
25		Intangible Property	-	-
26		Net Intangible Property	-	-
27	(143)	Deferred Charges & Affiliate Receivables	1,556,659	1,568,064
28	(144)	Special Funds	-	-
29		Accumulated Deferred Income Tax Charges		
29		(Account 145)**	-	-
30		Total Other Assets	1,556,659	1,568,064
31		Total Assets	17,482,228	14,238,786

* 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 Personal Income and other taxes deferred reported in Schedule 110-5.

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

line	Schedule	Title	Balance at	Balance at
No.	No.	(a)	close of year	beginning of year
			(b)	(c)
		Current Liabilities		
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	4,505	5,092
47	(217)	Accrued Expenses	846,171	92,016
48	(218)	Affiliate Payables	-	-
49	(219)	Other Current Liabilities	47,567	47,692
50		Deferred Income Tax Credits(Account 219-5)**	-	-
51		Total Current Liabilities	898,243	144,800
		Long-Term Obligations		
52	(220)	Equipment Obligations(Account 221)	-	-
53	(220)	Bonds(Account 222)	-	-
54	(220)	Other Long-Term Obligations(Account 223)	-	-
55		Total Long-Term Obligations		
		Advances Payable		
56	(231)	Affiliate Advances Payable	141,062	141,062
57	(232)	Other Advances Payable	-	-
58		Total Advances Payable	141,062	141,062
		Other Liabilities		
59	(241)	Accumulated Provision For Self-Insurance	-	-
60	(242)	Deferred Credits	2,532,284	118,384
61		Accumulated Deferred Income Tax Credits (243)**	-	-
62		Total Other Liabilities	2,532,284	118,384
		Deferred Liabilities - Prior to Chapter XI	(A) 67,689,120	67,695,334
		Deferred Liabilities - Chapter XI Period	(A) 19,844,422	19,849,239
		Shareholders' Equity		
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	(76,039,171)	(76,126,301)
69		Less: Treasury stock (Account 256)	(114,182)	(114,182)
70		Total Shareholders' Equity	(73,622,903)	(73,710,033)
71		Total Liabilities and Equity	17,482,228	14,238,786

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, 1976.

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 \$5,207,427 of such interest.

Pursuant to the Railroad Settlement Agreement, the railroads' claims for principal and accrued prepetition interest will be recognized in REA's bankruptcy proceeding as general, pre-petition, unsecured claims, subject to the Trustee's reserving the right to seek equitable subordination of such principal and interest claims.

Deferred Liabilities - December 31, 1981Deferred Liabilities - Prior to Chapter XI (February 18, 1975)

<u>Account No.</u>	<u>Title of Account</u>	<u>Amount</u>
214	Accounts Payable	<u>\$14,389,595</u>
216	Other Taxes Accrued and Withheld	5,154,562
217	Accrued Expenses	<u>14,029,791</u>
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>\$67,689,120</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	<u>9,273,001</u>
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>\$19,844,422</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)
ORDINARY ITEMS			
Carrier Operating Income			
1	(300)	Operating Revenues	\$
2	(500)	Operating Expenses	1,668,463
3		Net Carrier Operating Income	(1,668,463)
Other Income			
4	(610)	Noncarrier Income	26,230
	(620)	Interest and	1,595,243
5	(630)	Dividends(from investments under cost)	-
6	(640)	Other Income	7,488
7		Dividend Income(from investments under equity)	\$
8		Equity in Undistributed Earnings(losses)	
9		Equity in Earnings(losses of affiliated companies-lines 7 + 8)	
10		Total Other Income	1,628,961
11		Total Income	(39,502)
Other Deductions From Income			
12	(710)	Interest Expense	-
13	(720)	Debt Expense and Credit	-
14	(730)	Other Expenses	-
15		Total Other Deductions	-
16		Ordinary Income before Income Taxes	(39,502)
17	(810)	Income Taxes on Ordinary Income	\$
18		Provision For Deferred Taxes(Account 820)	
19		Total Income Tax Deductions(lines 17 + 18)	
20		Ordinary Income	(39,502)
EXTRAORDINARY AND PRIOR PERIOD ITEMS			
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)	(39,502)
27		Operating Ratio(line 2 ÷ 1)(one decimal)	%
28		Ordinary income before income taxes ratio(line 16 ÷ line 1)(one decimal)	%

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	
3		beginning of year	
3	(255-03)	Current Net Income	
	(255-04)	Other Credits(detail):	
4		Amount of assigned income tax consequences	
5		Net Revenue Adjustment-October 1975	
6			
7			
8			
9			
		DEBITS	
10	(255-05)	Current Net Loss	
	(255-06)	Dividend Appropriations:	
11		Preferred, \$	quarters to
12		Preferred, \$	quarters to
13		Common, \$	per share
14			
	(255-07)	Other Appropriations(detail):	
15			
16			
17			
18			
	(255-08)	Other Debits(detail):	
19		Amount of assigned income tax consequences	
20			
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.
			\$ (76,126,301)	\$ XXXXXXXXXXXX	1
			XXXXXXXXXX		2
					3
					4
			126,632		5
					6
					7
					8
Total Credits			126,632		9
			39,502		10
	Cash	Stock	XXXXXXXXXX	XXXXXXXXXX	11
	\$	\$	XXXXXXXXXX	XXXXXXXXXX	12
			XXXXXXXXXX	XXXXXXXXXX	13
Total				XXXXXXXXXX	14
				XXXXXXXXXX	15
				XXXXXXXXXX	16
				XXXXXXXXXX	17
Total(255-07)			-0-	XXXXXXXXXX	18
					19
					20
					21
					22
Total(255-08)			-0-		23
Total Debits			39,502		24
Net Increase(decrease)during year			87,130		25
			(76,039,171)	XXXXXXXXXX	26
			XXXXXXXXXX		27
Balance from line 27(c)				XXXXXXXXXX	28
losses) of affiliated companies					
at end of year(lines 26 and 28)			(76,039,171)	XXXXXXXXXX	29

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.....	177,397	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 EYE 6/30/74.....	177,397	
Ending Balance in Deferred Investment Tax Credit.....	-0-	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.....

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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, 1981 \$ 32,934,493

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—Concluded

8. **Contingent Assets and Liabilities:** Show the requested information with respect to contingent assets and liabilities at the close of the year. Examples of contingent liabilities are items which may become obligations as a result of pending litigation, assessments or possible assessments of additional taxes and agreements or obligations to repurchase securities or property. If carrier has no contingent assets or liabilities, insert the word "None".

[illegible]

9. Give a brief description for all items, regardless of amount, included during the year in accounts 910, "Extraordinary items (Net)"; 920, "Prior items (Net)"; and 930, "Income taxes on extraordinary and prior period items".

10. In accordance with Docket No. 34178 (Sub-No. 2), show below the effect of deferred taxes on prior years net income as reported in annual reports to the Commission. Debit amounts in column (b) and (d), and credit amounts in column (c) should be indicated by parentheses.

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1980	\$ (139,277)	\$	\$ (139,277)
1979	(276,802)		(276,802)
1978	(184,042)		(184,042)

Schedule 111.-CASH

17

17

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 114,768 -
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		Other:	Total -0-
14			
15			
16			
17			Total 338,026
18	(94)	Cash in Transit	Total -0-
19			Grand Total 452,794

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% 1/19/82	\$	\$ 3,100,000	\$ 3,100,000
2			C/D 16.25% 1/19/82		2,620,000	2,620,000
3			C/D 15.50% 1/19/82		110,000	110,000
4			C/D 14.75% 1/19/82		2,400,000	2,400,000
5			C/D 17.75% 1/20/82	1,581,393		1,581,393
6			C/D 12.00% 2/17/82		2,660,000	2,660,000
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17				Total 2,581,393	10,890,000	12,471,393

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 (percent) (e)	Balance at close of year (f)
1		(01) Customers:					\$
2							
3							
4							
5							
6							
7							
8		(02) Employees:	Total	xxxxxxx	xxxxxxx	xxxxxxx	-0-
9							
10							
11							
12							
13							
14							
15							
16		Total	xxxxxxx	xxxxxxx	xxxxxxx	xxxxx	-0-
17		(03) Others:					
18		Minor Items each less than					
19		\$10,000	Unsecured	Various			2,882
20							
21							
22							
23							
24		Total	xxxxxxx	xxxxxxx	xxxxxxx	xxxxx	2,882
25		Grand Total	xxxxxxx	xxxxxxx	xxxxxxx	xxxxx	2,882

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)
1		Customers and Interline:	
2		(01 and 10) Customers	
3		(02, 11 and 17) Interline	
		Total	-0-
4		Agents, Employees and Others:	
5		(03, 12 and 18) Agents	
6		(04) Employees	
7		(05 to 09 and 20) Others	2,761.327
8		(114-19) Advances to Employees	1,580
9		(114-21) Employee travel Advances	28,098
10			
11			
12			
13			
14			
15			
16		Total	2,791,005
17		Grand Total	2,791,005

Schedule 121.-OPERATING PROPERTY

Account No.	Description of property (Subcontract) (a)	Balance at beginning of year (b)	Additions and betterments during year (c)	Book cost of property retired (Schedule 121-A) (d)	Adjustments During Year		Balance at close of year (g)
					Contra Account No. (e)	Amount (f)	
(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	-		XXXXXXXXXX			-
(10)	Structures on Land Not Owned	2,239,186		XXXXXXXXXX			2,239,186
(11)	Unfin. Constr. Land Not Owned	-		XXXXXXXXXX			-
(12)	Unfin. Constr. Leasehd. Improv.	-		XXXXXXXXXX			-
	Total	2,246,965			XXXXXXXXXX		2,246,965

Schedule 121-A.-OPERATING PROPERTY RETIRED DURING YEAR NONE

Account No.	Description of property (Subcontract) (a)	Book 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)	Gain or loss on disposition (Account 200)		Other Items Dr. or Cr.	
							Debit (g)	Credit (h)	Account No. (i)	Amount (j)
(01)	Land and Landrights	\$	\$ XXXXXXXX	\$	\$ XXXXXXXX	\$	XXXXXXXXXX	XXXXXXXXXX	\$	\$
(02)	Structures on 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									
	Total	-0-	-0-				-0-	-0-	XXXXXXXXXX	

Schedule 122.-ACCUMULATED DEPRECIATION ON OPERATING PROPERTY

Account No.	Description of property (a)	Balance at beginning of year (b)	CREDITS	DEBITS	OTHER ITEMS, Dr. or Cr.		Balance at close of year (g)
			Charges to depreciation expense (c)	Depreciation accrued on property (refined) (Sch. 122-A) (d)	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	125,589
14		subsequent to 2/18/75	56,090
15			
16			
17		Total	181,679
18		Grand Total	181,679

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	\$	\$56,814	\$	\$
2	Terminal Property Notes	D		25,000		
3	Pinnacle Club	E	1,000	4,000		
4						
5						
6						
7						
8						
9						
10						
11						
12	Total			85,814		

*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.

Schedule 141.-INTANGIBLE PROPERTY

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. Contr. Account 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-			XXXXX		-0-

Schedule 143.-DEFERRED CHARGES & 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 (f)	Charges to account during year (g)	Credits to account during year (h)	Balance at close of year (i)
				From— (d)	To— (e)				
		\$	\$	Year	Year	\$	\$	\$	\$
1	143-01 Debt Discount:								
2									
3									
4	Total			XXXXXX	XXXXXX	-0-			-0-
5	143-03 Capital Stock Discount:								
6									
7									
8	Total					-0-			-0-
9	143-04 Capital Stock Commissions:								
10									
11	Total					-0-			-0-
12									
13	143-02 Other Deferred Debits:								
14	Charges due from IATA Carriers					42,116			42,116
15	Affiliate Receivables (Acct. 118)					1,525,948	11,405		1,514,543
16	143-05 Interest:					1,568,064	11,405		1,556,659
17									
18	TOTAL					-0-			-0-
	Grand Total					\$1,568,064	\$11,405		\$1,556,659

Schedule 214.-ACCOUNTS PAYABLE

34

34

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

line	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	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-
				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:	3,226
4	(06 to (08) Federal, State and City Withholding:	1,279
5	(05) and (10) Other(describe):	-0-
6		
7		
8		
10		
11	TOTAL	4,505

Schedule 217.-ACCRUED EXPENSES

Line No.	Description (a)	Balance at close of year (b)
1	(01) Wages Payable:	\$ 1,952
2	(02) Interest:	-0-
3	(03) Rents:	-0-
4	(04) Insurance:	-0-
5	(08) to (11) Vacations:	-0-
6	(07) Other Accrued Expenses	823,836
7	(12) Group Insurance Withholdings	20,383
8		
9	Total	846,171

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	(03) Unremitted C.O.D.'s	\$ 42,804
2	(05) Union Dues Deductions	4,763
3		
4		
5		
6		
7		
8		
9	Total	47,567

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) 211	Due after 1 year (account) (f) 212
	(01) Other Notes Payable:				\$	\$
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)
1	(01)	General Insurance;			\$
2		None			
3					
4					
5					
6					
7			Total	XXXXXXXX	-0-
8	(02)	Public Liability:			
9		None			
10					
11					
12					
13					
14			Total	XXXXXXXX	-0-
15	(03)	Workmen's Compensation:			
16		None			
17					
18					
19					
20			Total	XXXXXXXX	-0-
21	(04) Surface Cargo Loss and (05) Air Cargo Loss		Surface	Air Cargo	Total
22	Balance at beginning of year		\$ 11,982	\$ -0-	\$ 11,982
23	Credits during the year:				
24	(a) Through accruals charged to secondary account 12, Insurance				
25	(b) Through reimbursement received from other carriers, insurance companies and salvage recovered		-	-	-
26	(c) Other credits		-	-	-
27	Total Credits		-	-	-
28	Debits during the year:				
29	(a) Amounts payable to shippers, other carriers and insurance companies in settlement of claims				
30	(b) Other Debits				
31	Total Debits				
32	Balance at end of year		11,982	-0-	11,982
33	(06) Other:				-0-
34	For balance sheet presentation above balances included in Deferred Liabilities Pg 7B:				
35	Cargo claims reserve for traffic prior to 2/18/75				6,489
36	Cargo claims reserve for traffic subsequent to 2/18/75 (Chapter XI)				5,493
37	Total				11,982
38	Grand Total (lines 7, 14, 20, 29 and 36)		XXXXXXXXXX	XXXXXXXXXX	11,982

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 *	3,082,473

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)	\$1,938,433
Chapter XI Period (2/18/75 - 11/6/75)	1,144,040
	\$3,082,473

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 ac- count during year (g)	Charges to account dur- ing year (h)	Balance at close of year (i)
				From— (year) (d)	To— (year) (e)				
1	Unamortized premium	\$	\$			\$	\$	\$	\$
2	on debt:								
3									
4									
5									
6									
7									
8									
9									
10									
11	Total	-0-	-0-	x x x	x x x	-0-			-0-
12	Other deferred credits:								
13	Accruals For Penn Central Rents								\$ 47,134
14	Deposits on Sales of Operating Rights								34,100
15	Escrow Deposits-Matters in Litigation								2,451,050
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
								Total	\$2,532,284
								Grand Total	\$2,532,284

42

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

42

Don't forget to include: stated value, show the number of shares

REA EXPRESS, INC.
SCHEDULE 500 - OPERATING EXPENSES
YEAR 1981

<u>Acct. No.</u>	<u>Account Title</u>	<u>Amount</u>
560 Finance &	Administration:	
-01	Payroll	\$ 172,423
-02	Employee Welfare	10,331
-04	Taxes & Licenses	32,145
-06	Supplies	1,490
-07	Services Purchased	24,304
-08	Unclassified	35,866
-09	Traveling	550
-10	Communications	6,973
-12	Insurance	1,136
-14	Professional Services	1,325,444
-17	Equipment Rentals	3,354
-20	Real Property Rentals	54,447
	Total	<u>\$ 1,668,463</u>

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	21,500		21,500
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	Total	26,230		26,230

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	1,572,629		1,572,629
3				
4	Special Escrow Deposits	22,250		22,250
	Total	1,594,879		1,594,879
5	(623) Miscellaneous Interest Income:			
6	Notes Receivable	326		326
7	Miscellaneous	38		38
8				
9				
10				
11				
12				
13	Total	364		364
	Grand Total	1,595,243		1,595,243

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	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)
				*****	26,527	4	26,531
1	Federal					35	35
2	Alabama					-	-
3	Alaska					-	-
4	Arizona					11	11
5	Arkansas					40	40
6	California					-	-
7	Colorado					235	235
8	Connecticut					1,167	1,167
9	Delaware					50	50
10	Dist. of Columbia					-	-
11	Florida					10	10
12	Georgia					-	-
13	Hawaii					30	30
14	Idaho					82	82
15	Illinois					-	-
16	Indiana					-	-
17	Iowa					20	20
18	Kansas					5	5
19	Kentucky					50	50
20	Louisiana					30	30
21	Maine					-	-
22	Maryland					228	228
23	Massachusetts					15	15
24	Michigan					112	112
25	Minnesota					15	15
26	Mississippi					10	10
27	Missouri					5	5
28	Montana					-	-
29	Nebraska					20	20
30	Nevada					-	-
31	New Hampshire					15	15
32	New Jersey					20	20
33	New Mexico					3,060	3,060
34	New York					-	-
35	North Carolina					-	-
36	North Dakota					4	4
37	Ohio					55	55
38	Oklahoma					10	10
39	Oregon					-	-
40	Pennsylvania					15	15
41	Rhode Island					10	10
42	South Carolina					10	10
43	South Dakota					68	68
44	Tennessee					55	55
45	Texas					30	30
46	Utah					35	35
47	Vermont					-	-
48	Virginia					32	32
49	Washington					-	-
50	West Virginia					25	25
51	Wisconsin					-	-
52	Wyoming					-	-
53	Foreign countries					-	-
54	TOTAL				26,527	5,618	32,145

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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, 1981, to and including the 31st day of December, 1981

A. E. Larsen
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public

county above named, this 26th day of March, 1982

My commission expires March 30, 1983

ROBERT H. MINTZER
Notary Public, State of New York
No. 43-4738261
Qualified in Richmond County
Commission Expires March 30, 1983
SUPPLEMENTAL OATH

Robert H. Mintzer
(Signature of officer authorized to administer oaths)

USE AN L. S.
IMPRESSION
SEAL

(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 _____

(Insert here the name of the affiant)

_____ makes oath and says that he is

(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)

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)

REA Express, Inc. (Bankrupt)

of _____
(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, 1981, to and including the 31st day of December, 1981.

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 26th day of March, 1982

My commission expires March 30, 1983

ROBERT H. MINTZER
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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)

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 6(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

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	43,132		43,132	1
7,624		7,624	89,489		89,489	2
9,616		9,616	132,621		132,621	3
						4
						5
3,288		3,288	30,644		30,644	6
						7
						8
984		984	9,158		9,158	9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
4,272		4,272	39,802		39,802	20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
13,888		13,888	172,423		172,423	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 I V. N O.	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.....	3	3
3	(901)	TOTAL (EXECUTIVES, OFFICIALS, AND STAFF ASSISTANTS).....	4	4
		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.....	2	2
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).....	3	3
		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.....	7	7

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	3,286
3	Insurance Refund	2,277
4	Miscellaneous	1,951
5		
6		
7		
8		
9		
10	Total	7,488

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		
24	Total	-0-