216 Va. 309
SUPREME COURT OF VIRGINIA
RECEIVED
JUN 9 1975
RICHMOND, VIRGINIA

IN THE

Supreme Court of Virginia

AT RICHMOND

RECORD NO. 750398

BARNES TRANSFER & STORAGE, INC.,
ET AL,

Appellants,

v.

LEE MOVING, INC. OF HOPEWELL,

Appellee.

JOINT APPENDIX

Paul M. Shuford
418 Mutual Building
Richmond, Virginia 23219

Counsel for Appellants.

David Meade White
706 Mutual Building
Richmond, Virginia 23219

Counsel for Appellee.

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Case # 7-92
12/16/74

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION for CERTIFICATE of PUBLIC CONVENIENCE and NECESSITY

Under Title 56, Code of Virginia.

[ ] COMMON CARRIER OR RESTRICTED COMMON CARRIER, UNDER CHAPTER 12
[X] HOUSEHOLD GOODS CARRIER, UNDER CHAPTER 12.1
[ ] PETROLEUM TANK TRUCK CARRIER, UNDER CHAPTER 12.2
[ ] SIGHT-SEEING CARRIER, UNDER CHAPTER 12.3
[ ] SPECIAL OR CHARTER PARTY CARRIER, UNDER CHAPTER 12.4
[ ] RESTRICTED PARCEL CARRIER, UNDER CHAPTER 12.5
[ ] SIGHT-SEEING CARRIER, BY BOAT, UNDER CHAPTER 14.1

(Check One of Above)

VIRGINIA STATE CORPORATION COMMISSION
AUG 19 1974

To The State Corporation Commission of Virginia:

Office of Commerce Counsel
P. O. Box 1197
Richmond, Virginia 23209

(Read instructions on page 4 before answering)

1. (a) Application of Lee Moving, Inc. of Hopewell
(Name and Trade Name, if any)

a Virginia corporation
(State whether an individual, partnership, corporation, association, fiduciary, or other legal entity. If a partnership, give names of all partners. If a corporation, give name of State in which incorporated, and the names and addresses of all directors and officers, marked Exhibit X.)

whose business address is: Hercules Road
(Street)

Hopewell (City) Virginia, 23860 (State and Zip Code)

(b) Applicant's representative to whom inquiries respecting this application may be made is: Mr. Earl N. Wray, President
(Name)

Lee Moving, Inc. of Hopewell
(Street Address)

Hopewell (City) Virginia, 23860 (State and Zip Code)

2. (a) Applicant hereby applies for authority to engage in operation, in Intrastate Commerce, as a Common Carrier under Chapter 12.1 (SEE ABOVE), Title 56, of the Code of Virginia, for the handling of Property (Property or Passengers) by motor vehicle (Motor Vehicle or Boat)

as a household goods Carrier.

CERTIFICATE No. _____
ISSUED _____

(OVER)

3. Applicant desires to engage in the following operations (Give full and complete description) intrastate movement of household goods within the Commonwealth of Virginia

(ANY ADDITIONAL INFORMATION REQUIRED TO BE ATTACHED AND MARKED EXHIBIT A.)

4. (a) If applicant will desire to engage in transportation in interstate and foreign commerce within the limits of the intrastate authority granted so state: n/a.

(b) Applicant attaches five copies of Notice of Filing of Application for Publication in Federal Register if applicant will apply for registration of certificate with the Interstate Commerce Commission under provisions of Section 206(a) (6) of the Interstate Commerce Act.

5. Applicant asserts that the granting of certificate applied for is in the public interest and should be granted for the following reasons:

the City of Hopewell with a population in excess of 30,000 with a very concentrated industrial and military community does not have a household goods carrier authorized to transport goods intrastate; the transient nature of these two segments of the community demands a licensee in Hopewell to serve the city and its market areas wherein the people reside.

6. Applicant agrees to furnish the service proposed within thirty days after the granting of the certificate under this application, unless permission is obtained from the Commission to postpone the beginning of operation. If exemption is requested, explain and give reasons therefore:

n/a

7. Applicant attaches the following exhibits:

(a) Applies to all carriers:

Exhibit A: Additional information needed to fully explain Paragraph 3.

Exhibit B: Complete statement of financial condition.

Exhibit C: Tariff of freight rates or passenger fares, whichever may be applicable.

(b) Applies to all carriers, except those carriers making application under Title 56, Chapter 14.1., Code of Virginia:

Exhibit D: Number of vehicles to be operated, with a statement of the kind, make, type, capacity, length, width, height, number of seats.

XX (c) Applies only to carriers making application under Title 56, Chapter 14.1, Code of Virginia:

Exhibit E: Number of boats to be operated, with a statement of the kind, make, type, capacity, length, width, and number of seats of equipment on the proposed route or routes.

XX (d) Applies only to carriers making application to transport passengers under Chapters 12, 12.3 and 14.1, Title 56, Code of Virginia:

Exhibit F: Proposed time schedules.

XX (e) Applies only to carriers making application under Title 56, Chapter 14.1, Code of Virginia.

Exhibit G: Map showing in detail territory to be served for which application is filed. Additional pertinent information may be attached to application as Exhibit marked Alphabetically.

Lee Moving Inc. of Hopewell

8. Applicant agrees to comply with the provisions of the Virginia Motor Carrier Act, Title 56, Code of Virginia and with all applicable rules and regulations prescribed by the State Corporation Commission.

(Signature) Earl N. Wray

By Earl N. Wray Title Pres.

Dated at Hopewell, Va. this 22d day of July, 1974

State of Virginia,

City of Hopewell ss.

Personally appeared before me, Doris G. Healey, a Notary Public in and for the State and City aforesaid Earl N Wray who, being duly sworn, deposes and says that he is* President applicant in the above proceeding: that he has read the foregoing application and knows the contents thereof, and that the statements made therein are true to the best of his knowledge and belief.

My commission expires on the 24th day of January, 1978

Given under my hand this, the 22d day of July, 1974.

Doris Gail Healey

Notary Public

2

* If applicant is a corporation, insert "president of the" or "secretary of the." If a firm or partnership, insert "one of the".

INSTRUCTIONS

All information called for in this form must be provided, and each question must be answered. If any question is not applicable, so indicate. Incomplete applications will be rejected.

Applicant must submit with the application a check or money order made out to the State Corporation Commission for such amount as may from time to time be fixed by the Code of Virginia.

If the space provided in the form is not sufficient to supply all of the information required, prepare the information or continue it on a separate sheet, attach it to the application, and give it the same number as the paragraph to which it refers.

The application should be typed, but if made out in neat, legible handwriting, in ink, it will be accepted; if made out in pencil, it will be rejected.

Assistance in the preparation of an application may be obtained from THE COMMERCE COUNSEL'S OFFICE, STATE CORPORATION COMMISSION. Before requesting assistance, however, the applicant should prepare a rough draft of the application to be used as a basis for discussion. Interviews with the Office of Commerce Counsel should be arranged in advance.

The applicant should keep a copy of the application for further reference. The original and five copies of the application should be mailed to:

COMMERCE COUNSEL
STATE CORPORATION COMMISSION
P.O. Box 1197
RICHMOND, VIRGINIA 23209

Applicant's name should be stated exactly as it appears in its present authority, if any. If there has been a change in applicant's business address or name, it should submit a signed written request that the Commission's records be corrected to reflect the new address or name.

It is particularly important that applicant describe accurately and fully the operation for which it seeks authority.

END

Exhibit "X"

Earl N. Wray - President-Treasurer - 316 Wagner Avenue, Hopewell, Virginia, 23860

Barbara J. Wray - Vice President - 316 Wagner Avenue, Hopewell, Virginia, 23860

Plato G. Eliades - Secretary - 1617 Forest Glenn Circle, Chester, Virginia, 23831

Directors:

Earl N. Wray - 316 Wagner Avenue, Hopewell, Virginia, 23860

Barbara J. Wray - 316 Wagner Avenue, Hopewell, Virginia, 23860

Plato G. Eliades - 1617 Forest Glenn Circle, Chester, Virginia, 23831

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HIGHWAYS

October 4, 1974

Certificate of Public Convenience
and Necessity as a Household Goods
Carrier - Lee Moving, Inc. of Hopewel
Case No. HF-92

VIRGINIA
OFFICE OF
OCT 7 1974
OFFICE OF
COUNSEL
STATE CORPORATION COMMISSION

Mr. Michael Rigsby
State Corporation
P.O. Box 1197
Richmond, Virginia 23219

Dear Mr. Rigsby:

We are enclosing Forms T&S-10 in duplicate showing approval of equipment proposed for use by the above styled applicant requesting a Certificate as a Household Goods Carrier.

This approval of equipment is not to be construed as a privilege to operate such equipment over highways or bridges restricted to gross weights by means of posted signs or official Highway Commission action, which are less than that of the applicant's equipment.

Sincerely,

J. P. Mills, Jr., P.E.
Traffic and Safety Engineer

JPM:srp
Attachments
cc: Mr. Earl H. Wray, President
Lee Moving, Inc. of Hopewell
Corner of Hercules Road & Plant Street
Hopewell, Virginia 23860

to

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HIGHWAYS

CASE No. 43-42

APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY BEFORE THE STATE ORPORATION COMMISSION, UNDER THE VIRGINIA MOTOR CARRIER ACTS OF 1936 (Chapter 129, Acts of sembly, 1936)

o Department of Highways,
Richmond, Virginia

ame of Applicant Lee Moving Incorporated of Hopewell

usiness Address (street and number) Corner of Hercules Rd. & Plant Street

ity or Town and County Hopewell, Virginia 23860

Applicant Desires Approval on Following Motor Equipment

KIND (Bus, Truck, Trailer, emi-Trailer, Tractor)	*GROSS LOADED WEIGHT	MAKE	MOTOR NUMBER	LENGTH (In Feet)	WIDTH (In Feet)	HEIGHT (In Feet)	SIZE OF TIRES	NUMBER OF AXLES	**NUMBER USED CONNECTED
Tractor	50,000	Mack	F785T6138	15'	8'	10'	10:00x20	2	L-12
Truck	12,000	Chev.	C3836B125615	12'	7'	10'	900x16	2	L-14
Truck	25,000	Ford	F80WV3923	24'	8'	12'	900x20	2	L-1
Truck	16,000	Ford	P40ALC14192	12'	8'	10'	900x20	2	L3
Truck	26,000	Ford	F70EVH55172	27'	8'	12'	900x20	2	L-5
Truck	18,000	Ford	F60CCN84238	19'	8'	12'	900x20	2	L-6
Trailer	20,000	Custom	4730	23'	8'	3'	900x16	2	L-8
Trailer	10,000	TotemAll	SK4838S	23'	8'	3'	900x16	2	L-4
Truck	26,000	Ford	F70FVV28802	26'	8'	13'	900x20	2	L-13

This approval of equipment is not to be construed as a privilege to operate such equipment over highways or bridges restricted to gross weights by means of posted signs or official Highway Commission action, which are less than that of the applicant's equipment.

ight of vehicle and load including passengers
s example: No. 5-Tractor used connected with No. 9 Trailer. In column put "5-9."

(Signature) Lee Moving Inc. of Hopewell

as noted above.

pproved—

By Earl H. Wray

EPARTMENT OF HIGHWAYS

Title Pres.

y **J. P. Mills, Jr., P.E.**
Traffic and Safety Engineer

Date

October 4, 1974

ate of Approval

5

ORIGINAL AND TWO COPIES MUST BE FILED
TOGETHER WITH ONE COPY OF STATE CORPORATION COMMISSION FORM MC-4

PREPARED BY

TAYLOR & GREGORY
CERTIFIED PUBLIC ACCOUNTANTS
14 EAST TABB STREET
PETERSBURG, VIRGINIA 23803

LEE MOVING, INC. OF HOPEWELL

Hopewell, Virginia

UNAUDITED FINANCIAL STATEMENTS

For the Nine Months Ended January 31, 1974

TAYLOR & GREGORY
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 375
PETERSBURG, VIRGINIA 23803
TELEPHONE 733-4511

JERRY W. TAYLOR, C.P.A.
ARLEN S. GREGORY, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
VIRGINIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

February 28, 1974

The Officers and Directors
Lee Moving, Inc. of Hopewell
Hopewell, Virginia

The accompanying balance sheet of Lee Moving, Inc. of Hopewell, Hopewell, Virginia, as of January 31, 1974, and the related statements of income and changes in financial position for the nine months then ended were not audited by us; accordingly, we express no opinion on them.

Taylor & Gregory
Certified Public Accountants

UNAUDITED

EXHIBIT "A"

A S HOLDER'S EQUITY

CURRENT ASSETS:			
Cash in bank		$ 1 991	
Accounts receivable		17 145	
Prepaid expenses:		1 018	
Insurance		366	
Office supplies		1 093	
Rent			
Taxes			
Total Current Assets			$ 21 613
OTHER ASSETS:			66 167
Agency agreements and franchises			
Unamortized organization expense			
FIXED ASSETS:			
		$ 1 000	
Warehouse equipment	$4		
Office furniture and equipment		9 228	
Automotive equipment	3		
	$8	16 990	27 218
			$114 998

UNAUDITED

EXHIBIT "B"

INCOME STATEMENT

For the Nine Months Ended January 31, 1974

	Amount	
	Quarter Ended Jan. 31, 1974	Nine Month Totals
REVENUE:		
Appliance service	$ 132	$ 940
Booking commissions	3 091	22 949
Delivery outs	3 823	14 475
Interstate hauling	1 521	10 285
Intrastate hauling	-	6 002
Local hauling	6 450	15 960
Overseas shipments	2 578	3 012
Packing and unpacking	7 278	42 832
Pick-ups	805	8 085
Storage	3 886	14 919
Warehouse handling	1 223	4 909
Other revenue	288	1 978
Total Revenue	$ 31 075	$146 346
OPERATING AND ADMINISTRATIVE EXPENSES:		
Advertising	$ 1 879	$ 3 902
Amortization	72	218
Bad debts	260	560
Claims	770	2 625
Depreciation	4 010	11 459
Dues	220	410
Gas and oil	1 702	4 718
Insurance - group	211	918
Insurance - other	1 061	3 051
Interest	1 429	4 012
Other transportation expense	384	1 643
Postage and office supplies	1 612	4 806
Professional services	630	1 120
Rent	1 800	5 400
Salaries:		
Office personnel	2 305	7 110
Officer	4 250	11 846
Salesmen	360	1 710
Others	8 058	36 685
Storage and packing materials	2 475	9 836
Taxes and licenses	1 434	4 891
Uniforms	185	185
Utilities	1 438	4 199
Warehouse supplies and repairs	1 490	5 754
Miscellaneous	482	1 205
Total Operating and Administrative Expenses	$ 38 517	$128 263
INCOME (LOSS) BEFORE INCOME TAXES	$ (7 442)	$ 18 083
INCOME TAXES:		
Federal (Note 3)	$ -	
State	1 093	1 093
NET INCOME FOR THE PERIOD		$ 16 990

(Unaudited - See Accountants' Transmittal Letter)

UNAUDITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Nine Months Ended January 31, 1974

EXHIBIT "C"

WORKING CAPITAL WAS PROVIDED BY:			
Operations:			
Net income for the period	$16 990		
Add expenses not requiring the use of working capital:			
Amortization	218		
Depreciation	11 459	$28 667	
Proceeds from borrowing	$ 9 000		
Less amount due currently	4 500	4 500	
Increase in additional capital due to overstatement of liability at date of incorporation		228	
Total Working Capital Provided			$33 395
WORKING CAPITAL WAS APPLIED TO:			
Decrease in long-term indebtedness		$10 266	
Organization expense		1 455	
Purchase of fixed assets		10 350	
Total Working Capital Applied			22 071
INCREASE IN WORKING CAPITAL			$11 324

The net change in each element of working capital is summarized as follows:

	January 31, 1974	May 1, 1973	Increase (Decrease)
CURRENT ASSETS:			
Cash	$ 5 014	$ 3 321	$ 1 693
Accounts receivable	20 857	9 654	11 203
Prepaid expenses	2 508	4 314	(1 806)
Total Current Assets	$28 379	$17 289	$11 090
CURRENT LIABILITIES:			
Accounts payable	$ 1 991	$ 7 186	$(5 195)
Notes payable	17 145	14 661	2 484
Employees' taxes withheld	1 018	-	1 018
Accrued taxes	366	-	366
Income taxes payable	1 093	-	1 093
Total Current Liabilities	$21 613	$21 847	$ (234)
WORKING CAPITAL	$ 6 766	$(4 558)	$11 324

(Unaudited - See Accountants' Transmittal Letter)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Fixed assets are valued at cost and depreciated over their estimated useful lives by the straight-line method. Repairs to existing assets are charged to expense as incurred.

(b) Bad debts are recorded by the direct write-off method.

(c) Investment credit is accounted for by the flow-through method.

NOTE 2 - NOTES PAYABLE:

	Total Amount Due Net of Prepaid Interest	Due Currently	Deferred
(a) United Virginia Bank/State-Planters, Hopewell, Virginia:			
(1) A 24-month installment note dated May 2, 1972, bearing interest at 4.5% assumed from Lee Moving and Storage, Inc. Monthly payments of $136.21 include both principal and interest. Secured by a lien on a 1972 Ford LTD with a remaining cost of $3,230.	$ 375	$ 375	$ -
(2) A 24-month installment note dated April 21, 1972, bearing interest at 6.0% assumed from Lee Moving and Storage, Inc. Monthly payments of $279.96 include both principal and interest. Secured by a lien on a 1972 Ford 19-foot van with a remaining cost of $5,822.	770	770	-
(3) A 60-month installment note dated May 29, 1973, bearing interest at 6.0%. Monthly payments of $1,191.67 include both principal and interest. Secured by assignment of a life insurance policy on the corporation's president, assignment of accounts receivable, a lien on all furniture, fixtures, equipment and supplies, and the endorsement of the corporation's president.	47 667	11 000	36 667

	Total Amount Due Net of Prepaid Interest	Due Currently	Deferred
(4) A 24-month installment note dated January, 1974, bearing interest at 6.0%. Monthly payments of $420.00 include both principal and interest. Secured by a lien on a 1970 Mack tractor with a remaining cost of $8,775.	9 000	4 500	4 500
(b) Lee Moving and Storage, Inc.:			
A five-year promissory note dated May 1, 1973, bearing interest at 8.0%. Interest is payable semi-annually. Secured by a subordinated financing agreement on all corporate assets and is endorsed by the corporation's president.	25 500	500	25 000
	$83 312	$17 145	$66 167

NOTE 3 - INCOME TAXES:

Federal income tax for the nine months ended January 31, 1974, is $3,766. However, at the balance sheet date, the corporation has available for the current fiscal year investment credit of $3,940., which will directly offset federal income tax for this period.

(Unaudited - See Accountants' Transmittal Letter)

UNAUDITED

INCOME STATEMENT

For the Year Ended April 30, 1974

EXHIBIT "B"

	Amount		% of Revenue
REVENUE:			
Appliance service	$ 1 098		.57
Booking commissions	26 677		13.77
Delivery outs	16 960		8.76
Interstate hauling	12 415		6.41
Intrastate hauling	13 574		7.01
Local hauling	32 314		16.68
Overseas shipments	5 410		2.79
Packing and unpacking	49 113		25.35
Pick-ups	9 068		4.68
Storage	18 700		9.65
Warehouse handling	5 959		3.08
Other revenue	2 412		1.25
Total Revenue		$193 700	100.00
OPERATING AND ADMINISTRATIVE EXPENSES:			
Advertising	$ 4 906		2.53
Amortization	291		.15
Bad debts	1 313		.68
Customer damage and loss claims	4 082		2.11
Depreciation	16 443		8.49
Dues	580		.30
Gas and oil	6 790		3.51
Insurance - group	1 242		.64
Insurance - other	4 100		2.12
Interest	5 586		2.88
Other transportation expense	2 510		1.30
Postage and office supplies	5 724		2.96
Professional services	1 525		.79
Rent	7 200		3.72
Salaries:			
Office personnel	10 285		5.31
Officer	20 596		10.62
Salesman	4 310		2.22
Others	49 810		25.71
Storage and packing materials	13 541		6.99
Taxes and licenses	7 384		3.81
Utilities	6 223		3.21
Warehouse supplies and repairs	8 535		4.41
Miscellaneous	2 267		1.17
Total Operating and Administrative Expenses		185 243	95.63
INCOME BEFORE INCOME TAXES		$ 8 457	4.37
INCOME TAXES (Note 3):			
State		517	.27
NET INCOME FOR THE YEAR		$ 7 940	4.10
Earnings per Share of Common Stock Outstanding		$7.94	

(Unaudited - See Accountants' Transmittal Letter)

UNAUDITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Year Ended April 30, 1974

EXHIBIT "C"

WORKING CAPITAL WAS PROVIDED BY:			
Operations:			
Net income for the period	$ 7 940		
Add expenses not requiring the use of working capital:			
Amortization	291		
Depreciation	16 443	$24 674	
Proceeds from borrowing	$19 666		
Less amount due currently	9 180	10 486	
Increase in additional capital due to overstatement of liability at date of incorporation		228	
Total Working Capital Provided			$35 388
WORKING CAPITAL WAS APPLIED TO:			
Decrease in long-term indebtedness		$13 015	
Organization expense		1 455	
Purchase of fixed assets		23 110	
Total Working Capital Applied			37 580
INCREASE (DECREASE) IN WORKING CAPITAL			$(2 192)

The net change in each element of working capital is summarized as follows:

	April 30, 1974	May 1, 1973	Increase (Decrease)
CURRENT ASSETS:			
Cash	$ 4 987	$ 3 321	$ 1 666
Accounts receivable	17 672	9 654	8 018
Prepaid expenses	1 825	4 314	(2 489)
Total Current Assets	$24 484	$17 289	$ 7 195
CURRENT LIABILITIES:			
Accounts payable	$ 4 610	$ 7 186	$(2 576)
Notes payable	19 055	14 661	4 394
Employees' taxes withheld	1 438	-	1 438
Accrued expenses	5 614	-	5 614
Income taxes payable	517	-	517
Total Current Liabilities	$31 234	$21 847	$ 9 387
WORKING CAPITAL (DEFICIT)	$(6 750)	$(4 558)	$(2 192)

(Unaudited - See Accountants' Transmittal Letter)

NOTES TO FINANCIAL STATEMENTS

SCHEDULE 1

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Fixed assets are valued at cost and depreciated over their estimated useful lives by the straight-line or declining balance method. Repairs to existing assets are charged to expense as incurred.

(b) Bad debts are recorded by the direct write-off method.

(c) Investment credit is accounted for by the flow-through method.

NOTE 2 - NOTES PAYABLE:

	Total Amount Due Net of Prepaid Interest	Due Currently	Deferred
(a) United Virginia Bank/State-Planters, Hopewell, Virginia:			
(1) A 60-month installment note dated May 29, 1973, bearing 6% add-on interest. Monthly payments of $1,191.67 include both principal and interest. Secured by assignment of a life insurance policy on the corporation's president, assignment of accounts receivable, a lien on all furniture, fixtures, equipment, and supplies, and the endorsement of the corporation's president.	$44 917	$11 000	$33 917
(2) A 24-month installment note dated January, 1974, bearing 6% add-on interest. Monthly payments of $420.00 include both principal and interest. Secured by a lien on a 1970 Mack tractor with a remaining cost of $8,100.	7 874	4 500	3 374
(3) A 36-month installment note dated May, 1974, bearing 5.5% add-on interest. Monthly payments of $345.16 include both principal and interest. Secured by a lien on a 1974 Ford F-700 truck with a remaining cost of $11,567.	10 666	3 555	7 111
(b) Lee Moving and Storage, Inc.:			
A five-year promissory note dated May 1, 1973, bearing interest at 8.0%. Interest is payable semi-annually. Secured by a			

	Total Amount Due Net of Prepaid Interest	Due Currently	Deferred
subordinated financing agreement on all corporate assets and is endorsed by the corporation's president.	25 000	-	25 000
	$88 457	$19 055	$69 402

NOTE 3 - INCOME TAXES:

Federal income tax for the fiscal year ended May 31, 1974, is $1,782. However, the corporation had available at this date investment credit of $4,553 which served to directly offset this liability and left an investment credit carryforward of $2,771 to offset federal income tax of future periods.

(Unaudited - See Accountants' Transmittal Letter)

A

ASSETS

CURRENT ASSETS:		
Cash in bank	$ 4 987	
Accounts receivable	17 672	
Prepaid insurance	486	
Prepaid taxes	1 339	
Total Current Assets		$ 24 484
OTHER ASSETS:		
Agency agreements and franchises	$12 000	
Unamortized organization expense	1 162	13 162

FIXED ASSETS:

	Cost	Accumulated Depreciation	Remaining Cost	
Warehouse equipment	$41 699	$ 8 200	$33 499	
Office fixtures and equipment	4 761	952	3 809	
Automotive equipment	51 141	7 291	43 850	
	$97 601	$16 443	$81 158	81 158
				$118 804

(Unaudited - See Ac

UNAUDITED

EET

974

EXHIBIT "A"

LIABILITIES AND STOCKHOLDER'S EQUITY

URRENT LIABILITIES:		
Accounts payable	$ 4 610	
Notes payable (Note 2)	19 055	
Employees' taxes withheld	1 438	
Accrued salaries	5 000	
Accrued taxes	614	
Income taxes payable (Note 3)	517	
Total Current Liabilities		$ 31 234
ONG-TERM INDEBTEDNESS (Note 2)		69 402
TOCKHOLDER'S EQUITY:		
Capital Stock:		
Authorized, 1,000 shares, $1.00 par value; issued and outstanding 1,000 shares	$ 1 000	
Additional Capital:		
Amount received in excess of par value of stock	9 228	
Retained Earnings:		
Net income for the year (Exhibit "B")	7 940	18 168
		$118 804

s' Transmittal Letter)

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

Application of	CITY OF RICHMOND
Lee Moving, Inc. of Hopewell	August 26, 1974
For a Certificate of Convenience and Necessity as a Household Goods Carrier.	CASE NO. HF-92

Application having been made to the State Corporation Commission by Lee Moving, Inc. of Hopewell, Hopewell, Virginia, for a certificate of convenience and necessity for the transportation of household goods between points in Virginia and it appearing proper that the application should come before the Commission for a hearing;

IT IS ORDERED, That the application be, and it is hereby, docketed for hearing before the State Corporation Commission in its courtroom in the Blanton Building in the City of Richmond at 10 A. M., December 16, 1974.

IT IS FURTHER ORDERED, That the applicant have published at least once in a newspaper having general circulation in the City of Hopewell, not later than ten days prior to the hearing date, the following notice, to wit:

> NOTICE is hereby given that a hearing will be held before the State Corporation Commission in Richmond, Virginia, at 10 A.M., December 16, 1974, to consider the application of Lee Moving, Inc. of Hopewell for a certificate of convenience and necessity as a household goods carrier. All persons having interest in this matter are invited to appear to let such interest be known.

IT IS FURTHER ORDERED, That the applicant give notice of the application and the time and place of hearing by registered or certified mail, return receipt requested, to the following parties at least twenty days prior to the date of the hearing:

> Mr. J. P. Mills, Jr.
> State Traffic and Safety Engineer
> Department of Highways
> 1221 East Broad Street
> Richmond, Virginia

SCC-67—7-9-58—15M (Thick).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

Mr. Carroll B. Jackson
Virginia Movers & Warehousemen's Assoc.
Box 8634
Richmond, Virginia

Chairman
Board of Supervisors
Prince George County

Chairman
Board of Supervisors
Chesterfield County

Chairman
Board of Supervisors
Charles City County

Mayor
Hopewell, Virginia

LAW OFFICES
PAUL M. SHUFORD
SUITE 418-MUTUAL BUILDING
RICHMOND, VIRGINIA 23219

OFFICE PHONE
(804) 648-4434

March 24, 1975

Mr. Garrett J. Walsh, Jr.
Court Reporter
State Corporation Commission
Blanton Building
Richmond, Virginia 23219

Re: Transcript of Application of Lee Moving, Inc. of Hopewell - HF-92

Dear Mr. Walsh:

There follows a list of what I believe to be misquotations or typographical errors in your transcript:

Page No.	Line No.	Change
7	8	Mr. Eliades' name leaves out the "a"

(The same error appears on the following page and line numbers:)

Page	Line	Page	Line	Page	Line	Page	Line
9	22 & 25	10	18	11	6	14	11
15	14	42	23 & 24	44	6	48	8
49	8	55	14 & 15				

8	5 & 6	"Raised Juda Cotta" to "res adjudicata"
8	8	"justment by stople" to "judgment by estopple"
8	11	"are" to "is"
8	25	"Schuford" to "Shuford"
9	2	"Schuford" to "Shuford"
13	23	"add" to "ad"
21	15	"Beuna Vista" to "Buena Vista"

(The same correction applies to lines 17, 19 and 25 of page 21; page 22, line 7; and likewise on page 41, lines 11, 12 and 15)

Page No.	Line No.	Change
44	21	"Sussix County" to "Sussex County"
51	6	"do" to "to"
103	9	"concede" to "accede"

I have no feeling as to how you want to go about these corrections. In many instances it seems a simple penned insertion would be sufficient, but I leave that up to you. In view of the timing, I would suggest that you do them as quickly as possible so that the record can be certified on to the Court of Appeals.

With kindest regards, I am

Sincerely,

Paul M. Shuford

PMS/jbc

CHAIRMAN SHANNON: Anything preliminary Mr. Jones?

MR. JONES: Yes, Your Honor. This case was filed under the old rules of procedure, so that no protest was required to be filed.

It was for a new application. After approximately twenty-one days prior to the hearing date, I talked to Mr. Elides, who found it possible that Lee Moving, Inc., might be able to purchase a certificate of convenience and necessity Number 161, currently held by Earl -- or the estate of Earl Marshall Walters, trading as E. M. Walters Transfer Company, in Pulaski, Virginia, and inquired as to the amount of proof which might be needed for a new application, as compared to that needed for a transfer application.

Certificate 161 is not a Grandfather certificate. It was a new certificate issued in 1953, and I related to him that under my interpretation of the Code of Virginia, and the public convenience and necessity for a new certificate must justify the proposed operation, whereas the public convenience and necessity for a

1

2 transfer must only justify the proposed transfer.

3 That the proof would be less on the transfer if

4 it were, what I would call, an across the street

5 transfer, from a Richmond company to another

6 Richmond company, or from a Father to Son, in the

7 same town, but that when you had a transfer from

8 a remote part of Virginia to an urban area, or an

9 area which is not economically competitive with

10 the original area, that the amount of public

11 convenience and necessity to justify the proposed

12 transfer is much greater, and if you were to transfer

13 a certificate from, for example, southwest Virginia

14 to Arlington, Virginia, the amount of proof to

15 justify that transfer would be nearly as much, if

16 not as much, as would be required for a new

17 certificate.

18 CHAIRMAN SHANNON: Well, we are just here

19 concerned with HF-92, aren't we?

20 MR. JONES: We also have on the docket HF-95,

21 which was filed by the same applicant for the

22 transfer certificate, and I think they have

23 decided to --

24 CHAIRMAN SHANNON: Make an election?

25 MR. JONES: Make an election on that basis.

CHAIRMAN SHANNON: They can tell us about that.

BAILIFF: Shall I call the other cases?

CHAIRMAN SHANNON: I am not sure yet. Let's hear the Applicant's attorney. Mr. White?

MR. WHITE: Mr. Elides is more familiar.

MR. ELIADES: We ask that you give us a continuance on HF-95, and that we proceed today on HF-92, which is the application for a new license.

CHAIRMAN SHANNON: We will continue then, at your request, HF-95, which is the application to transfer of HG-161, and the Applicant has elected to proceed and go forward with HF-92, which is an initial application.

Mr. Cole?

MR. COLE: Your Honor, I don't think there is any difference in the two, and I state right off that we would like to hear them both together and get the whole thing over with, because the issues are exactly the same.

CHAIRMAN SHANNON: But isn't there an inconsistency, Mr. Cole? You can't have two household goods certificate cover the same

operation.

MR. COLE: I don't think it is an inconsistency, because I think if they lose HF-92, they have lost HF-95, and I think it is res adjudicata. The issues are the same, but I guess I am just telling the Commission if we win 92 we are certainly going to plead judgment by estopple as to 95, because the issues are exactly the same. The verbiage -- we have argued this before -- the language under the two statutes is identical. There can be no difference. We would like to get the whole thing cleared up.

I don't take it that an election to postpone one is a real election. I think if we dismiss 95, and then we proceeded on 92, we would be back where we should start. Be that as it may, we don't think there is any need for another carrier in the Richmond/Hopewell area. Make no mistake about it, this is an application for Richmond, and we have people here from Petersburg, Richmond, who object to it, and we expect to show that the public is adequately served in this whole area, and there is no need for another carrier.

CHAIRMAN SHANNON: Thank you. Mr. Shuford?

MR. SHUFORD : No.

MR. FLORENCE: I believe there are two issues in question; one is the ability of the Applicant to handle the job if he gets the certificate. When Lee Moving of Hopewell was formed I represented it, and was very much involved in it, and employed Mr. Wray to handle it, and had quite a bit of supervision over it over those years, and I admit he is extremely well trained for the job.

I believe the evidence will show --

COMMISSIONER BRADSHAW: You sure you are objecting?

MR. FLORENCE: I think the evidence will show that there is adequate service in the Richmond area, and that there is no need for additional service in the Richmond area.

CHAIRMAN SHANNON: Mr. Elides, are you going to represent the Applicant here? And present the case?

MR.ELIADES: Mr. White and I shall, Your Honor.

CHAIRMAN SHANNON: You all may proceed.

MR.ELIADES: I would like to present at this

our certificates, and our advertisement as required by the order.

CHAIRMAN SHANNON: They will be received as Exhibit "A."

MR. WHITE: Judge, as I understand there is no question on this man's ability or capability, and maybe that is conceded. I wasn't sure from Mr. Florence whether he conceded that point or not.

MR. COLE: I can tell you this. One view of the financial statement, and we don't concede anything.

CHAIRMAN SHANNON: Well, I guess that answers that, Mr. White.

MR. WHITE: I really should have known that, Judge, considering counsel.

MR. ELIADES: Mr. Wray?

EARL N. WRAY,

a witness introduced on behalf of the Applicant, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. ELIADES

Q Mr. Wray, please state your name for the record?

A Earl N. Wray.

Q Where do you live, sir?

A Hopewell.

Q And your address?

A My home address is 104 Queen Anne Drive.

Q And you are the President of Lee Moving, Inc., of Hopewell, is that correct, the Applicant?

A Right.

Q State to the Commission, if you would, your experience in the moving industry?

A I started out in Richmond about ten years ago, and moved to Hopewell, and built up a successful business there. From one truck in 1968, to ten pieces of equipment right now.

Q With whom were you when you started off in Richmond?

A Here in Richmond?

Q Yes.

A It was Universal Van Lines. They went out of business.

Q All right. And then you came to Hopewell with Lee Moving and Storage?

A Right.

Q And that Company operated for how long?

A Lee Moving and Storage, Inc., operated until April of 1973, and then I was able to purchase the business. And on May 1, 1973 -- on May 1, 1973.

Q And that is when you formed the Lee Moving, Inc., of Hopewell?

A Right.

Q And that is your company?

A Correct.

Q What pieces of equipment do you have, for the benefit of the Commission?

A One tractor and trailer, five straight trucks, three packing trucks, and two flat bed trailers that I haul containers on.

Q And what is your warehouse facility in Hopewell?

A Ten thousand square feet.

Q And where is it located?

A At the corner of Hercules Road and Plant Street.

Q And is this the same facility that Lee Moving and Storage had leased prior to your purchasing the Company?

A It is the same building. I just assumed the lease.

Q Is this facility such that it can be expanded?

A Yes.

Q And what type of lease do you have with the premises?

A I have three years remaining on a ten year lease.

Q And it has a renewal clause in your lease?

A Yes, subject to notifying them.

Q All right. Now, explain to the Commission, if you would please, Mr. Wray, your operation as it exists today.

A All of our trucks are in Hopewell -- based in Hopewell. We service -- we have an ad in the yellow pages in the Richmond Directory, and we occasionally -- quite often get calls from the Richmond ad requiring

our services, interstate and intrastate. We also do quite a bit of local moving.

CHAIRMAN SHANNON: Do you have an interstate certificate?

A No, sir. I operate interstate under Mayflower.

CHAIRMAN SHANNON: You are under an agency agreement?

A Right, with Mayflower.

BY MR. ELIADES

Q How long have you been a Mayflower representative?

A Since just within the past couple of months.

Q And prior to that did you have another agency relationship for interstate?

A Yes. I represented Bekins Van Lines for four years prior to that.

Q Do you have any dealings with the Fort Lee facility?

A Quite a bit.

Q Will you relate to the Commission what your relationship is?

A We are on a rotating basis with the

Transporation Office at Fort Lee, and just like every other carrier in this area, we are called in order as the workload is given to us. Each agent is supposed to get a certain amount of business from Fort Lee, and they are on a rotating basis.

COMMISSIONER BRADSHAW: When you say 'we', are you talking about Richmond, or just Hopwell?

A Richmond, Petersburg, and Hopewell.

COMMISSIONER BRADSHAW: All three compete on the same list?

A Yes, sir. Whoever is on the roster at Fort Lee to receive business.

BY MR. ELIADES

Q Do you do any storage for the military facility at this time?

A We haven't taken any in quite a while because of the -- its lower rates. You bid on that for lowest rates, and our bids are up higher, so they haven't called me for quite a while.

Q Now, where is your primary source of calls from intrastate moving?

A I would say either -- we get quite a few from Petersburg as well as Richmond. I would say the majority of them come from Richmond.

Q All-right, now. The people, are they employed or related with industry in Hopewell?

A Yes, sir. Some of them may work in Hopewell and live in the Richmond area, in Chesterfield County. Quite a few of them do.

Q Do you have any relationship with industry in Hopewell for movement?

A Just about all the plants, I do.

Q Well, explain to the Commission, if you would, what your relationship is with industry?

A Either myself or my salesmen contact the traffic managers in the Hopewell area as well as surrounding counties, and solicit the business to transfer their employees from one plant to another, and in the past when we have run across these intrastate moves, we can't service these people.

We can move, we can tell the traffic manager we can move them interstate under Mayflower, and we can haul it for them by leasing our trucks to Mayflower, but we cannot haul them from here to Roanoke or from here to Norfolk, and it is quite an inconvenience not to be able to move these people. These traffic managers have counted on me to do it, and now they say they have to go to Richmond or another place to get it done.

Q How often would this come about, annually, or quarterly, or since you have been in business. Can you project to the Commission?

A It comes up maybe two or three times a month.

Q And do you have a working relationship with other industry in Hopewell?

A Ninety-percent of it anyway.

Q Would you explain to theCommission who is the industry in Hopewell that you are speaking of?

A We have a Firestone plant which we have done some business with. We have a Hercules plant who is within a block from us, from our facilities. Allied Chemical is in Hopewell. We have Continental Can, which had occasion to call us. The Virginia -- American Auto Company. They have people they want to bring in sometimes to that area. When I say 'that area', I mean there are a lot of people that come to work in Hopewell, who live over on the Chesterfield side. They would prefer to live in what we call Enon Section, which is Chesterfield County. They would prefer to live over that way.

Q You would need rights in order to move these people?

A Right. That is what I am applying for.

Q Now, with regard to Allied Chemical. You had a rather large move that you made for the plant interstate not long ago, is that correct?

A Yes, it was in 1973 and amounted to several thousand dollars -- probably twenty-five thousand dollars I did was of gross business.

Q Explain to the Commission, if you would, what that situation was?

A They were transferring an entire department to Houston, Texas and Baton Rouge, Louisiana, and I contacted the right man at Allied Chemical and he approved for me to move all of these people, so I did move them all.

Q You were able to make the arrangements and satisfy Allied as to this entire program?

A Oh, yes.

Q This included office equipment as well as household goods?

A It included moving office equipment to Houston and included moving office equipment across town in Hopewell, so I did all of it for them.

Q Are there any other movers in Hopewell?

A No, there are not.

Q Are there any other movers in Prince George County?

A No.

Q Now, where would be the nearest mover for someone living in the Hopewell-Prince George area?

A In Petersburg.

Q If you go in the other direction from Prince George to Surry and Sussex, down toward Smithfield, are there any movers in that area?

A I don't think there are any whatsoever to my knowledge.

Q Going from the Prince George on South and Easterly, down toward Suffolk rather than Smithfield, where numerous people reside that work in Hopewell, are there any movers to your knowledge?

A To my knowledge, there is one in Suffolk, but I have no idea whether he has authority or not.

Q How about across the river now that the Benjamin Harrison bridge is open for Charles City and New Kent?

A To my knowledge, there is no moving Company over that way.

Q And these are where the employees who were working in the plants in Hopewell reside, is that right?

A Right.

Q Do you feel that you have equipment --- the financial capacity to get additional equipment if necessary if the Commission should grant you these rights?

A Most definitely I do. I have the equipment now to do it.

Q You feel that you can handle it with the equipment you now have?

A Usually in the month of May we purchase one or two more pieces of equipment anyway. I have added one or two pieces of equipment on every summer for the past two or three years.

Q How many personnel do you employ, Mr. Wray?

A Twelve to fifteen, full time.

Q How many part time? Is this a seasonal situation?

A It is seasonal. In the summer I employ another fifteen to twenty, I guess.

Q All right, answer any questions that Mr. Cole might have.

A Yes, sir.

CROSS EXAMINATION

BY MR. COLE

Q Mr. Wray, I want to ask you a few

questions about some of these plants that you have mentioned. Where would you transfer a Firestone plant employee? There is no other one that I know of anywhere around that you would be transferring one except out of State.

A No, the Firestone plant quite often has employees coming into Hopewell.

Q From out of the State?

A No, within the State. I had one before I owned Lee Moving. It was Lee Moving, Inc.

Q Where would they be coming to?

A To the Hopewell area.

Q From where?

A One came from Buena Vista, Virginia, for example.

Q Now, there is a carrier in Buena Vista, isn't there?

A I doubt it. Buena Vista is pretty small.

Q Well, there are a lot of them nearer up there than you are down here, aren't they?

A Yes, but they can't seem to get anybody to move them when they want to move.

Q Do you mean to tell me that the people up in Buena Vista have to come down here to Hopewell to get

somebody to transfer them?

A No. The plant here would be in charge of moving those people, so they would want the Hopewell business to stay in Hopewell.

Q But it would be just as easy for a Richmond carrier to go to Beuna Vista and move them as it would for you in Hopewell, wouldn't it?

A If they could do it, yes, sir.

Q And the same thing is true of these other plants that you have mentioned, isn't that true?

A I would imagine so, yes.

MR. WHITE: Ask him where Hercules has another plant in this State.

BY MR. COLE

Q Does Hercules have any other plant?

A In Pulaski.

Q Pulaski?

A Yes, sir.

Q Well, no problem for people to go from Hercules under the certificate that you are purchasing, is it?

A I don't know. You have got me.

Q And there are certainly carriers near Pulaski --

MR. WHITE: Wait just one minute. Are you conceding that he is entitled to the Pulaski certificate?

MR. COLE: No, but as far as I know it is an open certificate in Pulaski still in operation.

MR. WHITE: I think the man is dead.

MR. COLE: But his business can still be going on.

MR. WHITE: It can be, but I don't think it is.

BY MR. COLE

Q All right, then. I will ask you something about this business in Pulaski. Is this a transfer --

MR. WHITE: We are not on the transfer.

MR. COLE: That is what I know. Why should I ask him about that.

CHAIRMAN SHANNON: Let's stick strictly to this Application. That one has been continued.

BY MR. COLE

Q What I am getting at is people that are coming into your area can be hauled by other carriers all over the State, can't they?

A Yes, sir.

Q And if you had somebody that is going out

of the State, I understand you to say that you have an agency with Mayflower where you can haul them out of there to any other state in the Union, can't you, through your Mayflower agency?

A Right. Limited to twenty-four states.

Q Well, Mayflower operates only in twenty-four states, and you can go anywhere within the twenty-four states?

A I have my trucks leased to them. I have my trucks leased this side of the Mississippi. I don't go past the Mississippi River. If there is anything the other side of the Mississippi, Mayflower would haul it.

COMMISSIONER BRADSHAW: How many Mayflower agencies in Richmond? More than one?

A No, sir. I am the only one.

COMMISSIONER BRADSHAW: For Richmond and Hopewell?

A Yes, sir.

BY MR. COLE

Q What happened to Universal Van Lines here in Richmond. You were with them.

A I was Assistant Warehouseman then. That was nine years ago now. They went out of business. I was not managing the business.

Q Now, you mentioned the fact that you had storage in Hopewell. Ten thousand square feet. You have also got a storage area here in the Richmond area, don't you?

A Yes, sir.

Q How many square feet of storage area do you have in Richmond?

A Sixty-two hundred.

Q And where is that located?

A Parham Road and Route #1. Or within two blocks of it.

Q And you don't have any equipment there?

A No, sir not at the present time.

Q But you contemplate putting equipment there?

A Probably in due time.

Q This is the main warehouse on which you are going to carry on your Mayflower operation, isn't it?

A Not right now it is not; no. Right now, Hopewell is the main office.

Q I may have made a mistake. But I believe your Application had sixty-two thousand square feet. It is sixty-two hundred square feet?

A Right.

Q Do you have a lease on that?

A Three years.

Q What makes up the warehouse now, is there a building on it, or do you just have the lot? What is there?

A No, it is a warehouse. Sixty-two hundred square feet, and there are other businesses within this complex.

Q In other words there is public storage which you lease?

A Right. Our lease is made from a realtor.

1-B Q You are able to transport under the Mayflower lease people within this -- well, you are really a booking agent for Mayflower, aren't you?

A Booking and hauling. We handle the packing as well. We perform packing services as well as hauling and booking.

Q So you have access to the Mayflower authority to haul interstate?

A Right. We lease equipment to them.

Q And then you can haul in your area within a thirty mile radius around?

A Right.

Q So actually all we are talking about in

this Application would be maybe some longer hauls within the State of Virginia, is that true?

A That is what I am requesting, yes.

Q Now, you mentioned the fact that you transferred some people to Houston, Texas. Under the authority you have now, there is no problem for you to do that, is it, sir?

A No.

Q You can carry people all over the country?

A Right.

Q You advertised, I believe you stated, in the Richmond Telephone Directory?

A Yes, sir.

Q Do you advertise in the newspapers here?

A Yes, as well as Hopewell and Petersburg.

Q So, this Application puts you strongly into the Richmond area, doesn't it? Both from the standpoint of advertising and your warehouse here?

A The advertising and warehouse is here, as well as Richmond people advertising in the Hopewell paper, I guess.

Q Now, in regard to the financial statement that you filed here, the balance sheet that I have got shows you listing current assets, and you just have

twenty-four thousand, four hundred and eighty-four dollars. What constitutes those current assets?

A I am not looking at it right now, but my Accountants fixed that sheet up for me. I am almost sure they are storage crates, rolling stock -- rolling equipment, I mean, trucks and vehicles that I have.

Q Well, you have down here another item, Agency Agreements and Franchises, thirteen thousand, one hundred and sixty-two dollars, as an asset. Now, how do you arrive at a value of thirteen thousand, one hundred and sixty-two dollars for some agency agreements and franchises?

MR. WHITE: Excuse me, which balance sheet are you looking at?

MR. COLE: The one that he filed here.

CHAIRMAN SHANNON: You are looking at the mone in which the Application for the year ended April 30, 1974.

MR. COLE: That is the only one I knew.

CHAIRMAN SHANNON: There is another one -- a balance sheet.

MR. COLE: There is one filed later than the Application?

A There have been some others since that

time. We have had other financial statements. We have quarterly financial statements from our Accountant.

MR. COLE: I am looking at the one that was filed with the Application. Can I see a later one?

CHAIRMAN SHANNON: The latest one I have before me --

MR. JONES: There are two financial statements received with the Application. One, which is for January 31, 1974, and the one that was xeroxed, and part of the file, which was for first quarter of 1974. They both came with the application, and this one has been in the case jacket, but the one that you are referring to is the more recent.

MR. COLE: The one I am referring to?

MR. JONES: Yes, the one that is more current.

MR. COLE: In other words, the one that I am referring to is the last one.

MR. JONES: Right.

BY MR. COLE

Q You have assets of thirteen thousand, one hundred and sixty-two dollars as agency agreements

and franchises, and what I want to know is how you arrived at that value to be put on agency agreements and franchises?

A I didn't put that on there. My Accountant did.

Q Now, you have warehouse equipment as an asset, thirty-three thousand, four hundred and ninety-nine dollars, and I would assume -- well, I would assume that is equipment that you refer to in your warehouse?

A Storage crates, fork lift, rug racks, and miscellaneous things like that.

Q How many fork lifts do you have?

A One.

Q And you got thirty-three thousand dollars worth of equipment like that in your warehouse?

A Yes. We have sofa racks, quite a bit of stuff. I could go on and on.

Q Is that located in Hopewell or is it --

A Most of it is in Hopewell, but some in Richmond.

Q Now, you have forty-three thousand dollars worth of automotive equipment. How much of a lien do you have on that?

A Are you talking about at the end of this statement here?

Q Yes.

A It should be in the financial statement. I don't know right off.

Q Well, you have current liability of thirty-one thousand, two hundred and thirty-four dollars. Would that be the lien which you got on the forty-three thousand dollars worth of automotive equipment?

A No. I have only got two of my trucks right now -- two pieces of equipment financed at the bank, and they only amout to somewhere around fifteen thousand dollars.

Q What is this long-term obligation that you have for sixty-nine thousand dollars?

A That is when I borrowed money from United Virginia to buy the business.

Q How much did you borrow?

A Fifty-five thousand.

Q Fifty-five thousand?

A That is right.

Q Then you haven't been making the payments on it, and as a matter of fact, the interest is going up. If you owe sixty-nine thousand --

MR. ELIDES: The interest is added in at the inception.

BY MR. COLE

Q Is that the way it was worked?

A Yes, sir.

Q How do you pay that obligation?

A Monthly. Twelve hundred dollars a month, and I have never missed a payment, and don't intend to.

Q How long does that go?

A I think I have another three years and it will be paid off. About three and a half years.

Q Now, let me ask you this. I believe your accountant had a note on that statement that your working capital was decreasing. Why is that?

A I am not an accountant. I know I am financially stable. What is in those reports -- I am not an Accountant, and that is the reason I hire him to do that. I don't understand it all, really. If he says it is decreasing, I know I have the capital.

Q If your capital is decreasing, it won't be long before you don't have it, isn't that true?

A (No response)

Q The only thing I see here in this statement for a profit and loss -- your profit and loss statement -- is a statement that you have total revenue of one hundred and ninety-three thousand, seven hundred

dollars, and expenses of one hundred and eighty-five thousand, two hundred and forty-three dollars. Don't you have a better financial statement than that showing what your real operating income and expenses are?

A No, I don't, but what my accountant gives me is what I have got.

Q All right, I have no further questions.

CHAIRMAN SHANNON: Did you operate at a loss last year?

A No, sir. I believe it was a profit, wasn't it?

CHAIRMAN SHANNON: How much profit do you recall.

A Something like seven or nine percent; what is it?

CHAIRMAN SHANNON: You are testifying.

A I would have to look at the financial statement to tell, if you don't mind. Net income was seventy-nine hundred and forty dollars. That was after I made the payments to the bank. I would like to mention that the gross revenue increased from one hundred and twenty-three thousand to one hundred and ninety-three thousand the first year that I owned the business though, and I imagine Mr. Florence could make that statement.

CHAIRMAN SHANNON: I see your total current assets -- I see your total current liabilities exceed your total current assets here by some sixty-seven thousand dollars, and that your balance sheet as of April 30th, I guess it is April 30th, it looks like April 30, 1974.

A This has been changed in the last quarter, when the last quarterly financial statement was given to me, which I apologize for not bringing.

CHAIRMAN SHANNON: Well, do you have an up to date balance sheet; one that is more recent than this April 30, 1974?

A Yes, sir.

CHAIRMAN SHANNON: Will you furnish that to the Commission?

A Yes, sir.

CHAIRMAN SHANNON: All right. We will make that Exhibit No. 1. We will save that for the most recent balance sheet, and if the parties agree, we will incorporate the Application together with all exhibits as part of the record.

MR. WHITE: Yes, sir. Surely.

MR. SHUFORD: If Your Honor please, if the Commission is going to consider filing this statement

that is not in the record, we respectfully ask that we be allowed to examine it, to see if we might want to examine him on it.

MR. WHITE: We will furnish copies to all parties.

CHAIRMAN SHANNON: We will certainly give parties an opportunity to delve into it.

MR. COLE: I have no further questions.

CROSS EXAMINATION

BY MR. SHUFORD:

Q Of the gross revenues that you spoke, gross revenues, how much of it would you say was due to interstate moves from Mayflower, and how much for local moves within your thirty mile radius?

A You mean hauling now, or all, booking, packing --

Q All.

A We get different commissions for different services we perform.

Q Well, the only services you are performing as I understand it is interstate through Mayflower and local thirty miles. Are you offering any other services?

A No.

Q Then how would you divide those two?

As far as total revenue, now?

A I would have to add under the income bracket, which total s to one hundred and ninety-three thousand, I would have to put booking commission at twenty-six thousand dollars. That is just booking.

Q That is included in the one hundred and ninety some thousand?

A Right. Then interstate hauling is twelve thousand four hundred dollars. Packing and unpacking, which is a big item, was forty nine thousand.

Q Is that interstate for the most part?

A Right. At least ninety-nine percent of it anyway. We do very little packing on locals.

Q Well --

A What the accountant or bookkeeper worked up is thirteen thousand dollars intrastate. They call intrastate on the books as moving from Hopewell to Petersburg, and from Hopewell to Richmond, and within a thirty mile radius. We hasn't been illegally doing anything. Did I answer your question?

COMMISSIONER BRADSHAW: It adds up to eighty-seven four. So you would subtract that from one hundred and ninety-three to separate the inter from the local?

A We have local hauling, which is thirty-two thousand dollars. We had a local contract with Fort Lee for the year 1974, and that would account for the local hauling. This is just a bid. I bid on it in 1973 and got the contract for 1974. I just recently bid on it and lost it, so I do not have it for 1975.

CHAIRMAN SHANNON: That is for distances less than thirty miles, isn't it?

A Yes, sir.

CHAIRMAN SHANNON: And I take it you have a permit from this Commission as a contract carrier?

A Right. I do.

COMMISSIONER BRADSHAW: Well, if you gave us all the figures for the Mayflower operation, that is eighty-seven four, so subtract that from ninety-three, and that is roughly one hundred six left for local.

A Left for storage, warehouse handling, delivery routes -- what we call delivery routes is from interstate shipments that come into our place and we deliver them to the residence, and that is almost seventeen thousand.

BY MR. SHUFORD

Q Well, wouldn't it be fair -- you didn't give all the figures, I am just trying to get an approximation. Would it be fair to say that about eighty percent of your total revenue, excluding this one year contract you have, would be interstate?

A Yes, I would say that.

Q How long did you say you have been an agent for Mayflower?

A Just since October.

Q Of this year?

A Yes, sir.

Q Now, how did you work this big move you had, twenty-five thousand dollars in 1973?

A That was interstate. That was -- when I say twenty-five thousand, that was gross. I was representing Bekins. All we did was get booking commission and packing.

Q Bekins did that move?

A Bekin did the moving.

Q I thought you said Mayflower did the move?

A In 1973, we had Bekins. We were a representative for Bekins, and I booked these Allied Chemical moves under Bekins. Now we are representing

Mayflower.

Q All right, I have got it. Now, as I understand it, you say you get quite a few calls from the Richmond area, but later on you said perhaps two a month. Is that approximately correct?

A I think we were talking about the plants when I said that. It was two or three per month that called me and said they could not find a mover, and they called me from Richmond. And I asked how they -- call the agency in Richmond and see if they can get the service. Primarily, this is during the peak season, from the first of May to the end of September. We may get a few calls during the winter time, but very few.

Q So during that time you get maybe two a month out of the Richmond area, from industries, saying they can't get a carrier on the day they want it, and can you move them?

A I think we said Hopewell.

Q You get two or three a month from Hopewell?

A Two or three a month may call me and ask me can I move an employee to Roanoke, or can I move an employee to Norfolk. I have to turn them down. I can't do it.

Q Now, what do you serve out of the Richmond warehouse? Is that for Mayflower's convenience?

A Yes.

Q So, as far as this inconvenience you have mentioned, the Hopewell people having to come to Richmond, they have to come to Richmond for over a third of your storage now, don't they? It is just a question of where they dial the phone. So far as the movement, it really makes no difference. You are moving in and out of Richmond. And as Mr. Cole suggested to you, the trucks move from wherever they may be at a given time. So really what you are talking about, the inconvenience is a call from Hopewell to a Richmond mover.

A I don't thoroughly understand your question. You say if a Hopewell resident is calling Richmond to move intrastate?

Q Yes. You suggested that it would pose some inconvenience for some of these traffic managers with whom you have good rapport, I forget the word you used, and that this was an inconvenience for them. What I am saying is that if you are using your Richmond warehouse and using your Hopewell warehouse, and your trucks are leased, the inconvenience really is a phone call, isn't it. That they can't get someone in Hopewell on the phone,

so they have to make a call to Richmond.

A I guess that is it, yes.

MR. SHUFORD: No further questions.

MR. FLORENCE: No questions.

CHAIRMAN SHANNON: Mr. Jones?

MR. JONES: Yes, Your Honor, just one.

CROSS EXAMINATION

BY MR. JONES

Q The Commission record shows that there is no mover in Beuna Vista, so I think wouldn't it be normal for a shipper moving from Beuna Vista to Hopewell to try and call into Hopewell to find a mover before he would look to other cities?

A If he does not have a mover in Beuna Vista,when he comes to Hopewell he would call me, and I have had quite a few calls for that.

MR. JONES: That is all I have.

CHAIRMAN SHANNON: Just one question before you step down, Mr. Wray. I have just noticed from your balance sheet, prepared by your Accountants, dated January 31, 1974, if my arithmetic is correct your total current assets there exceeded your total current liabilities by it looks like sixty-seven hundred and sixty-six dollars, and then with

the later balance sheet, which was as of April 30, 1974, the situation reversed. Your liabilities exceeded your assets by sixty-seven hundred and fifty, so it was a washout. So I take it that --

A There is a peak season there.

CHAIRMAN SHANNON: When is that peak season?

A Between the first of May and the end of September. Those five months are extremely good for the moving industry, and the other seven months they are awfully slow.

CHAIRMAN SHANNON: Well, that is the reason I asked you, and you said you will supply the latest available balance sheet.

A I can, yes. The end of the year was April 30th. My accountants became extremely busy, and everybody wants quarterly statements, and he couldn't get it to me in time like I really wanted them to. So I have May, June and July, which is a lot better than that, which would show a lot better than that.

CHAIRMAN SHANNON: Do you have any re-direct, Mr. Eliades?

MR. ELIADES: No, sir.

CHAIRMAN SHANNON: You may stand down, Mr. Wray. Thank you very much.

WITNESS STOOD ASIDE.

MR. ELIDES: Mr. Malcomb Eubank?

MALCOMB EUBANK,

a witness introduced on behalf of the Applicant, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. ELIADES

Q Please give your name?

A Malcom Eubank, and I am Vice President of the Hopewell Chamber.of Commerce.

Q As Assistant Vice President, do you keep the statistical information that would be of enlightment to the Commission?

A Yes, we do.

Q How long have to been with the Chamber of Commerce, sir?

A Six years.

Q Will you tell the Commission, if you please sir, what is considered the Hopewell Employment Market as far as the industry is concerned?

A Well it runs all the way from Brunswick County to Surry County, Sussex County, and of course, Richmond, Dinwiddie, Henrico, James City, Charles City -- quite a large area.

Q And what is the industrial population in Hopewell?

A The industrial payroll?

Q How many people are on the payroll in industry?

A At the end of 1973,ninety-one hundred and seventy-six.

Q All right.

A That is total employment, of which sixty-eight thirty-one is industrial people.

Q What is the population of the City of Hopewell at the last figures that you have?

A These -- the census shows twenty-three four seventy-one, and we guesstimate it is now twenty-five thousand. That was the 1970 Census.

Q And what would be the population of Prince George?

A The 1970 census again, twenty-nine thousand.

Q With regard to that area of Chesterfield that is considered within the Hopwell Shopping Market, what would be the population there in the Bermuda District?

A Around eighty-five hundred.

Q And how far out does that go?

A That goes out to what we call the Bermuda area, out Route No. 1.

Q Out to Route No. 1?

A Yes.

Q Does it go over into the Village of Chester?

A No.

Q What is the industrial payroll of Hopewell, the annual payroll?

A Roughly sixty-seven million dollars.

Q How much?

A Sixty-seven million.

Q And what would be the payroll at neighborning Fort Lee? Do you have that?

A Military and civilian, in excess of eighty million.

Q Do you have the population for the Tri-City area, Petersburg, Hopewell and Colonial Heights?

A The 1960 Census gives us a figure of one hundred and twenty-six thousand or thereabouts. The 1970 Census, one hundred and thirty-two thousand.

Q In the Tri-City?

A Tri-City SMSA. This is Petersburg, Colonial Heights SMSA.

Q As Executive Secretary -- or as Executive Vice President of the Chamber of Commerce, does the Chamber

take any position with regard to Mr. Wray's application?

A Yes, we do.

Q Does the Chamber endorse it?

A The Chamber endorses it, and the Manufacturers Association of Hopewell, which are members of all the industry in Hopewell, they too endorse it.

Q Did the Manufacturers Association of Hopewell make any comment to you as to why they would endorse it?

A I think the comment was made as a necessity here, as well as a convenience for the citizens of Hopewell, and people at the present time have no one to choose for moving. They have to go to Petersburg, and we are interested in Hopewell, not Petersburg.

Q And industry takes this position?

A Yes, sir.

COMMISSIONER BRADSHAW: Is a phone call from Hopewell to Petersburg long distance?

A No.

COMMISSIONER BRADSHAW: Richmond is long distance?

A Richmond, that would be long distance.

MR. COLE: I think the Commission will find that all of these carriers have toll-free phones

to that area.

MR. WHITE: But the household people don't.

MR. COLE: Yes, they do.

A Two or three of them do.

CHAIRMAN SHANNON: Let's let the witness testify.

BY MR. ELIADES

Q What is your population growth as far as the Chamber's statistics would indicate for the City of Hopewell?

A 1950, the population of Hopewell was ten thousand, two nineteen; in 1970 census, twenty-three four seventy-one, but I think our point -- I think I will point out here that between 1960 and 1970, from seventeen thousand eight ninety-five to twenty-three four seventy-one showed an increase of thirty-one point two percent increase.

Q As a result of the last annexation that the City of Hopewell had, is there a possibility of a greater population growth?

A Because of the last annexation?

Q Yes, making land available.

A Yes, oh, definitely. The only way we could grow was through annexation. We have land we can

build on. In fact, as you know, they are building a very large sub-division of some one hundred and seventy or one hundred eighty homes.

CHAIRMAN SHANNON: You are annexing out in the direction of Prince George I take it?

A Right.

BY MR. ELIADES

Q This is the area of Prince George that used to be between Fort Lee and Hopewell?

A Right.

Q Do you have any feeling as to what percentage of the population that works in Hopewell would live in these distant communities that you enumerated to the Commission?

A No, I don't have the exact percentages. I am getting information on this subject from the Division of State Planning and Community Affairs. It does list the in-commuters that come into Hopewell to work, and it shows three thousand eight hundred and seventy-one that come in. And it also lists all the way from Brunswich to the counties that I have mentioned earlier.

Q Does the Chamber ever receive any inquiry with regard to intrastate movement of household goods?

A Yes.

Q Would you have any way of stating to the Commission how frenquently this occurs?

A I have never really thought about it until we discussed this, but it has happened several times. It usually -- they say, "Why can't I choose who I want to move me?" And I think the Chamber would like to see a local individual that is not finished with the move once the household goods are delivered to Timbuktu, but someone that we can come back to from our own home town. This is a question we have raised when someone wants to move intrastate.

MR. ELIDES: Answer any questions that counsel may have?

CHAIRMAN SHANNON: Mr. Cole?

CROSS EXAMINATION

BY MR. COLE

Q I am not sure from the answers as to who -- where were these from?

A They were from Hopewell.

Q Is it just one person that you are talking about.

A This one instance, yes, sir.

Q Well, don't they have a choice as to who

is to move them?

A Not from Hopewell they don't.

Q Well, if they look in the Hopewell telephone directory, you have two or three pages of people to move you, haven't you?

A I wouldn't recommend to anybody outside of Hopewell to move.

Q In other words, you are looking out for Hopewell and nobody else in the State of Virginia?

A Yes, sir, all the way.

Q And you don't care about what happens to people in Richmond?

A I can care less.

Q Now, let me tell you what is going to happen. What is going to happen to the people in Hopewell when this man, with the limited amount of equipment he has got, comes in there and every other carrier of the State moves out of Hopewell. How are you going to move your people then?

A He has done a good job so far.

Q That is because there are about three other pages of people from Richmond that are down there hauling them, sir.

A I couldn't testify to that.

Q Answer my question. If all of the Richmond haulers moved out of that area, do you think that this one man, with the few pieces of equipment he has got, can service the need to the whole area?

A From past performance, I think he could.

Q What do you mean by past performance? He hasn't hauled any of them so far, has he?

A From where, sir?

Q Any intrastate people. He hasn't hauled any before, has he?

A No, sir. The performance I am talking about is inter, if you want to, and local moving.

Q Right. Well, he can continue doing that, you understand that?

A Yes.

Q So all we are talking about is hauling people maybe somewhere outside in Virginia cities; Norfolk, Roanoke and places like that. Do you have any statistics to show how many moves are made in or out of the Hopewell area?

A No, sir.

Q Are you familiar with the State Corporation Commission investigator in Hopewell?

A No, sir.

Q Do you mean that the Chamber of Commerce didn't even discuss this with him as to the service that was being given in the area before you all endorsed this man?

A No, sir.

Q Are you familiar with the fact that the investigator -- the enforcement officer for this in Hopewell -- that he has never heard of a complaint from anyone in the Hopewell area about the service that they were getting in the area?

A No, sir. The investigator never came by to see me.

Q I call attention to the fact that the investigator stated that he had never received a complaint in the Hopewell area.

CHAIRMAN SHANNON: We have the investigator's report in the file, and I might state for the record that it is routine in every application case for one of the Commission's investigators to go out and investigate the general character of the Applicant, and that is in the file, and is attached to the Application. I am sure everybody has seen it.

MR. COLE: Yes, sir.

CHAIRMAN SHANNON: Go ahead, Mr. Cole.

MR. COLE: Yes, sir. I have no further questions.

CHAIRMAN SHANNON: Mr. Shuford?

CROSS EXAMINATION

BY MR. SHUFORD

Q Just a couple of questions. Hopewell is a pretty stable community, isn't it, so far as the people who live there?

A Yes, sir.

Q And except for certain other people who might work in industry, and travel from job to job by mobile home or otherwise, you don't have a lot of influx of permanent dwellers in and out, do you?

A Because of Fort Lee, Hopewell is really pretty much of a transit town.

Q But you are talking about military people?

A Military, civilian employees, and industrial people.

Q I am talking about regular residents of Hopewell and the people who work for industry?

A Yes, sir.

MR. SHUFORD: No further questions.

CHAIRMAN SHANNON: Mr. Florence?

MR. FLORENCE: No questions.

MR. JONES: I have a few, Your Honor.

CROSS EXAMINATION

BY MR. JONES

Q If an individual called you and said he couldn't get an intrastate move, would you have any idea whatsoever that he should possibly be referred to an investigator of the State Corporation Commission?

A No.

MR. JONES: That is all I have.

CHAIRMAN SHANNON: Any re-direct, Mr. Eliades?

MR. ELIADES: No, sir.

CHAIRMAN SHANNON: You may stand down, Mr. Eubank.

WITNESS STOOD ASIDE.

CHAIRMAN SHANNON: The Commission will take a ten minute recess. 11:16 a.m.

11:26 a. m. The Commission resumes its session.

MR. WHITE: That is the Applicant's case, sir.

CHAIRMAN SHANNON: Mr. Cole?

MR. COLE: I am going to call Mr. Smith.

ALLEN R. SMITH,

a witness introduced on behalf of the Protestants, being first duly sworn, testified as follows:

Q Will you for the record here state your name and address and occupation?

A My name is Allen R. Smith. Address, home address is 3516 Marquette Road, Richmond, Virginia, Manager of Smith Storage and Moving Company.

Q Mr. Smith, does your Company have a household goods certificate?

A Yes, we do hold a certificate.

Q And you also have interstate rights?

A No, we do not.

Q What is your general operating area?

A My general operating area is, I would say, Richmond, within fifty miles.

Q How much business do you do down in the

Hopewell, Petersburg, Colonial Heights area?

A On occasion, when called upon, we will service the area. Every now and then we do receive a call from Colonial Heights, Petersburg and Hopewell area.

Q Do you advertise in that area?

A Yes, sir, we do.

Q What means?

A We advertise in the telephone directory, and maintain a toll-free line in the area so that anyone needing our service can avail themselves to us without any cost to them.

Q Are you listed at Fort Lee on this rotating basis that was mentioned here a while back?

A Yes, we are listed.

Q Do you happen to know how many carriers are on that list?

A I do not know how many carriers are on the list. They have two types of lists. They have an interstate roster, and then they have an intrastate roster, and carriers having rights from the area may register their services with this installation to participate in the available business that they had.

Q And you say you are listed?

A We are listed, yes, sir.

Q How much business has that produced for you?

A We haven't received any intrastate business from the area at all. Our rate is not conducive to their practice of awarding on the lowest rate, so consequently we are not enjoying any of their intrastate tonnage.

Q Now, your rates are the ones that are on file here with the Commission?

A Yes, sir.

Q Have you checked, and have with you there a telephone directory in the Hopewell, Petersburg area?

A Yes, I have a copy of it with me.

Q Could you tell us how many carriers advertise to haul people in that area?

A Well, it is quite a count here.

Q I believe you have some copies of that?

A I have copies of it. I have four copies as a matter of fact, if you would like to distribute those.

Q I would like to file those copies. Is that just a copy out of the Hopewell Telephone Book?

A Out of the Petersburg, Colonial Heights, Hopewell, Dinwiddie --

CHAIRMAN SHANNON: This will be received as Exhibit No. 2.

MR. COLE

Q This is the directory of June 1974. Do you also have a City of Richmond Directory there?

A Yes, I have a City of Richmond Directory, Greater Richmond.

Q Does the Applicant here advertise in the City Directory?

A He has locations in the Hopewell and Richmond in the Greater Richmond Directory. He has purchased more advertising space in this directory than any other concern in the moving business.

Q Now, which year -- is that the new Directory that you are referring to now?

A This is the Directory issued December 1974.

Q Does the Applicant here advertise in the Richmond newspapers?

A I have observed some advertisements in the Richmond newspapers.

Q Do you have copies of those there with you?

A I have single copies. Here is a copy of

November 30, 1974, advertising in the Richmond Newspapers.

Q Does he give a Richmond address there? And a Richmond telephone number?

A He gives Richmond addresses, Hopewell addresses, Hopewell telephone numbers and Richmond telephone numbers.

Q I would like to file that advertisement to show that this Applicant is not just Hopewell, but is advertising in Richmond.

CHAIRMAN SHANNON: That will be marked for identification as Exhibit No. 3.

BY MR. COLE

Q Do you have another advertisement there?

A I have another one, and I don't know whether I have seen all of them or not. This one is dated October 14, Richmond Times Dispatch.

Q I would like for that to be an exhibit?

CHAIRMAN SHANNON: That will be marked for identification as Exhibit No. 4.

Was the first one the News Leader?

MR. COLE: I believe -- when was the first one, Mr. Smith?

A If I could see the exhibit back I could testify to that. Richmond News Leader. I can see on the

back.

BY MR. COLE

Q Mr. Smith, does your Company have available on a year-round basis, equipment to haul folks in this entire Petersburg, Hopewell, Colonial Heights area?

A Consistently, year-round.

Q Have you ever had to turn anybody down in that particular area that you know of that has contacted you?

A I wish I had the opportunity to. I haven't yet.

Q Is it any problem for you to pick people up in Hopewell and transfer them to other parts of the State, or to go to other parts of the State and transfer them back to Hopewell?

A None whatsoever. We are particularly convenient to the Hopewell area. We have facilities located on I-95, between Petersburg and Richmond, and we can be in the Hopewell area more quickly than we can in some of the areas of West or North Richmond.

MR. COLE: All right, sir. Answer any questions by the others.

CROSS EXAMINATION

BY MR. WHITE

Q Mr. Smith, if they called this number for Smith Mayflower in the phone book, would they get you?

A I don't see why they should.

Q Why they should or shouldn't?

A I don't think they should.

Q In other words, your advertisement in the phone book is misleading?

A No. We don't have an advertisement in the Richmond Directory that is misleading.

Q Well, do you have one in Hopewell, where they call you and can get you?

A If we have one in Hopewell, they could call us and get us.

Q They would call Smith Mayflower and they would get you?

A They would get us, yes, sir.

Q I didn't think you had Mayflower anymore?

A No, we do not. I didn't testify that we did.

Q So they wouldn't get this Mayflower that you have advertised, would they?

A They would get Smith Storage and Moving Company, as we have advertised.

Q Exhibit No. 2 that you introduced shows

Smith Mayflower. That is not correct, is it?

A Not since we have terminated our Mayflower agency agreement. It will be incorrect until the Directory runs out. We will no longer advertise that Mayflower affiliation, after they re-issue the directory. We can't change the directory.

Q What will you advertise?

A Sir?

Q What will you advertise?

A We will advertise our services.

Q And who are you with?

A Smith Storage and Moving Company.

Q Are you with anybody else?

A No, sir.

Q Not owned by anybody else?

A No, sir. We have entered into an agreement that I do not wish to divulge here.

Q Well I am going to ask you about it. Tell us what kind of agreement this is going to be?

A We have entered into an agreement to dispose of our business. It has not been completed.

Q So you are going to sell your business?

A Expect to. To Center Carriers Corporation.

Q And you want to maintain your position

as not being -- this Applicant's position as not being able to serve so that you can get more for your purchase price?

A That has already been agreed upon.

Q So whether this man comes into the market or doesn't come into the market won't affect you one way or the other, will it?

A It would effect the business that I have built up and maintained through the years, and would have the equipment that will be sold to the successor, and he will have to utilize that equipment --

Q I understand, but it won't affect your purchase price, would it?

A No, it wouldn't affect the purchase price.

Q So you are not going to be servicing this area at all?

A Not personally. If I terminate my business.

Q Well, haven't you agreed on all this?

A It has been agreed upon. Not completed.

Q I understand the transfer hasn't taken place, but rest has been agreed upon?

A That is right.

COMMISSIONER BRADSHAW: You are selling to who?

A Center Carriers Corporation.

COMMISSIONER BRADSHAW: I notice they have a Chester telephone. Are they located over in Chester?

A Center Carriers has a location in Petersburg and they anticipate locating in Richmond, and they also have facilities in the Falling Creek area of Richmond.

BY MR. WHITE

Q So I can understand this, how many of your trucks now carry the decal of Center Carriers on them?

A How many?

Q Yes, sir.

A I am not qualified to answer that. I don't know.

Q Don't all of them carry Center Carriers?

A No, they do not.

Q They are being put on there?

A Some are.

Q All right. So you are what they call a lame duck in the industry?

A I am not admitting to that.

Q I understand that, but you will no longer be in it, come what date?

A I would like to complete our agreement within the scope of it, within the next thirty days.

Q All right, sir. And another carrier in this area has gone out of business and was sold to somebody in Hampton, weren't they, somewhere in that area? Do you remember Colonial? Do you remember anybody named 'Colonial?"

A Another carrier went out of business?

Q Yes, went bankrupt. Colonial Transfer and Storage, are you familiar with that?

A I don't know their financial status, sir.

Q Don't you know whether they are in business or not?

A They are not in business in this area now.

Q And they were at the time they were listed in this phone book, weren't they?

A If they are in there.

Q Well, you read all this didn't you? You introduced it.

A I can't tell you specifically.

Q Well, I can help you. Look on page 131, the first page.

A First page. Colonial Transfer and Storage, Richmond, Virginia. They were apparently in business in June of 1974 when the directory was issued.

Q They are out of business now, aren't they?

A As far as I know they are.

Q They are not servicing this area or the Hopewell area at all.

A As far as I know they aren't.

Q So when you complete your transfer within thirty days, there will be at least two certificates that are no longer in this area?

A I don't know whether they held a certificate in this area or not.

Q Well, that is what they are advertising, aren't they?

A I don't know whether they had one or not.

Q All right, sir.

A They have an office here. Whether it was domiciled here, I do not know. They may have had other branches from elsewhere in the State.

Q But they are out of business all over the State, aren't they?

A I couldn't answer that.

Q All right, sir. One other thing. The reason you state you didn't get the business from Fort Lee was because your rates were too high?

A Our rates currently are too high to receive the business.

Q But the people that are getting it are getting lower rates?

A Right.

Q And really the convenience and necessity of a man who pays a lower rate is pretty obvious, isn't it?

A I would say that it would be convenient to him to pay a lower rate if he could get one.

Q Well, he is getting one now, isn't he?

A The military is.

MR. WHITE: All right. That is all, sir.

COMMISSIONER BRADSHAW: When did you terminate the Mayflower agreement?

A We terminated that, Your Honor, effective July 31, 1974.

COMMISSIONER BRADSHAW: And no one in the

Richmond area picked that up?

A The Applicant --

COMMISSIONER BRADSHAW: That is when the Applicant --

A I don't know when he picked it up.

COMMISSIONER BRADSHAW: Mr. Wray was right when he testified on direct examination that there is just one Mayflower man?

A He is the exclusive agency for this area.

CHAIRMAN SHANNON: Mr. Jones, do you have any questions?

CROSS EXAMINATION

BY MR. JONES

Q Is it expected that Center Carrier would then hold two certificates?

A If we can agree --

CHAIRMAN SHANNON: I can answer that question. If they buy it, and it merges, if the carrier who has the certificate purchases another carrier that has a certificate, they lose that certificate.

MR. JONES: That has been our position.

CHAIRMAN SHANNON: That has been our policy.

A They more than likely may apply. I don't know what the results will be.

COMMISSIONER BRADSHAW: It wouldn't be any advantage to having two certificates to do the same thing. It would be like having two drivers licenses.

MR. JONES: There would be an advantage in that they could be on the cycle with Fort Lee. If they did do Fort Lee business; twice.

COMMISSIONER BRADSHAW: They can get on the list twice. The logic to that is everybody apply down here for ten.

MR. JONES: Or merge.

BY MR. JONES

Q Isn't it true that your tariffs, or your rates for Fort Lee or the federal government, even for intrastate moves are outside the purview of the State Corporation Commission? You mentioned different rates. You can contract for rates.

A It has been my understanding that they are.

Q And for a Richmond carrier to go to Hopewell to pick up a shipment to move to southwest Virginia, would that shipper have to pay deadhead mileage

from Richmond to Hopewell?

A No. He wouldn't have to pay any deadhead mileage.

Q Even to the point to which he is going is not through Richmond. It is in a different direction?

A Will you re-state that again?

Q If a person -- if you had to go to, say, southwest Virginia, and move someone forty miles in a county in southwest Virginia, would that person have to pay deadhead mileage from here to southwest Virginia?

A Yes, we would apply a tariff and assess an empty mileage charge to move a family locally in that part of the State.

Q So a person moving forty miles from Hopewell, south of Hopewell, is going to have a cheaper rate from a Hopewell carrier than from a Richmond carrier?

A I would say that if it was a carrier located, say, beyond the local radius of thirty miles, that if someone in Hopewell were to hire a carrier say domiciled in Fredericksburg, I think the Fredericksburg carrier would apply it.

MR. JONES: All right. Thank you. That is all I have.

COMMISSIONER BRADSHAW: Mr. Smith, where

do most people get their movers? Do they call the place they are moving to and pick up one so they have somebody convenient to complain about if it breaks -- if they break the furniture? Or do they usually get one where they are moving from?

A Individuals, Your Honor, find many ways of obtaining and placing their moving order. Many of them have the same idea you just described. They would seek a carrier that has destination representation, and go to that carrier and say, "Well, move me to the city where you are domiciled." Whereas, many of them, having dealt with the carrier or through advertising, they will select a carrier from the city of their origin to move them.

COMMISSIONER BRADSHAW: What has been your experience?

A The example you mentioned is in the minority.

COMMISSIONER BRADSHAW: It is in the minority?

A Yes, sir.

CHAIRMAN SHANNON: Any re-direct?

MR. COLE: Yes, sir.

RE-DIRECT EXAMINATION

BY MR. COLE

Q Do you solicit any business with the Company -- with the big companies such as Firestone and Hercules and so forth?

A Yes, sir. They have been solicited for our services.

Q How do you solicit them?

A Usually direct through club functions and sales representatives.

Q Do you have salesmen out on the street soliciting business of this kind?

A Our Company has a sales representative, sir.

Q Do you all do any work for any of the Hopewell companies that have been mentioned here today, such as Firestone, Hercules?

A Very little intrastate business. Most of these are plants -- they employ people -- they will transfer them to a distant plant. Very few of them have plants manufacturing the same type of commodity in Virginia. Otherwise, they would have it all in the same plant. One plant may have a location in Hopewell, and maybe one in Pulaski, and maybe one in Covington, more

than likely they all manufacture different products. We do not take a person from the Hopewell plant and transfer him to the Covington plant, because generally their skills are not needed there.

Q These big companies give the employees a choice of what carrier they will take, or do they usually work that out themselves?

A The plant that is paying the bill usually selects the carrier. One that is known to them to provide the service consistently and efficiently and to their satisfaction.

MR. COLE: All right, sir. No more questions.

CHAIRMAN SHANNON: Thank you, Mr. Smith. you may stand down.

WITNESS STOOD ASIDE.

W. VAUGHAN DONOVAN, JR.,

a witness introduced on behalf of the Protestants, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COLE

Q Will you state your name, address, and occupation?

A W. Vaughan Donovan, Jr., 89 Goodwood Road, Richmond, Virginia. I am the General Manager of Center Carriers Corporation.

Q Mr. Donovant, would you tell us just briefly what type of business Center Carriers is in, and what operation you all have?

A We are in the movement of household goods, moving and storage, primarily of household goods. We are located in Petersburg, Virginia, and also have facilities in the Richmond area.

Q Now, you say you are located in Petersburg. Is that where your office is?

A We have a warehouse and office in Petersburg, and also one in Richmond.

Q How close are you from your Petersburg operation to Hopewell?

A Our warehouse is situated on 36. We

were in Prince George until annexed a few years ago by Petersburg. We are between Petersburg and Hopewell, two or three miles.

Q How much equipment do you have?

A Total equipment, sir?

Q Yes.

A Probably forty pieces of equipment.

Q Do you have any interstate transportation rights?

A We act as agents for Allied Van Lines, interstate.

Q In other words, you book business for Allied?

A Yes.

Q I believe some mention has already been made that you are contemplating maybe purchasing Smith's Transfer and Storage, is that correct?

A Yes, sir.

Q How many additional pieces of equipment will that give you? Approximately.

A Oh, twelve to fifteen or so.

Q Now, in regard to your intrastate business. Do you do any work in Hopewell?

A Oh, yes, sir.

Q What is your general operating area?

A Well --

Q From your Petersburg plant?

A Oh, I would say fifty to seventy-five miles. We go down, we have gone as far as Suffolk to pack and load shipments and bring them into the Petersburg area. South Hill.

Q Do you advertise both in the telephone directory here, Hopewell, Petersburg and Colonial Heights?

A Yes, sir.

Q Have you found any time when you couldn't handle the traffic in that area, Mr. Donovan?

A I think all movers, Mr. Cole, during some peak periods in the summer, there might be certain days where they are operating at capacity. Generally, no, sir.

Q On those peak days, can you substitute a day here and there, where you can service the people?

A That is what we try to do. To change the loading date one day or the other, so that we can handle it. We don't just turn anybody down without attempting to service a shipment.

Q Do you know how many intrastate movements

you make a year? Now, I am not talking about just local hauls right around in the area, but hauls that would be outside of the thirty mile area. Do you have any idea how much of that business you get from that area?

A From the Hopewell area?

Q Yes.

A I wouldn't think interstate moves that originate in Hopewell would be over half a dozen a year.

Q How about from outside of Hopewell coming into the area?

A Possibly one or two. I don't know that there were any in the last twelve months.

Q Where does your business originate?

A Well, down in the area -- down in that area, most of the business comes from Colonial Heights, Petersburg, Prince George.

Q Are you on the military list down there?

A Yes.

Q Do you get any business from that source?

A We get some. Very little.

Q Who gets most of that business?

A A carrier in Richmond that has filed a lower tariff than most of the movers.

Q Do you feel that there is any need for any additional household good carriers in that area?

A Definitely not.

MR. COLE: All right, sir. Answer any questions.

CROSS EXAMINATION

BY MR. WHITE

Q Mr. Donovan, this forty pieces of equipment that you now have doesn't include the new pieces that you are buying from Smith?

A I might say sir that that is tractors, trailers, all equipment.

Q I understand.

A Our tractor and trailer would be counted as two pieces.

Q Does that include --

A It does not include.

Q Does this include any equipment you have up in Pennsylvania?

A No, sir. That is an entirely separate company.

Q Not connected with yours?

A No, sir.

Q We all thought they owned your company?

A They are one of the principal stockholders. But that is a proprietorship, and we are a Virginia corporation.

Q All right. Just so I can get this thing straight in my own mind. Of all those pieces of equipment and what not -- you only have six moves a year out of Hopewell?

A That would originate in the City of Hopewell, yes sir.

Q So you don't care whether this man comes in or not, do you?

A Yes, sir.

Q For the six moves?

A No, sir. He is not going after those six moves. He is going to participate in traffic out of Richmond and anywhere within this Tri City area.

Q But there will be one certificate less in this area, won't there?

A When?

Q When you consummate your deal with Smith.

A I hope not.

Q Well, you will have two certificates then, won't you?

A I won't have two, no, sir. We hope we will continue to operate Smith Company.

Q Under the same ownership?

A What, the two certificates?

Q Yes.

A I am not certain as to the mechanics of this, but sofar as the Smith Company, we hope to continue to operate Smith.

2-B Q But you have your name on all his trucks now, don't you?

A No, sir.

Q On any of them?

A One or two trailers has. I don't think it is on any of them.

Q What is on there: Allied?

A No, sir. Mayflower has been taken off of all of that equipment in order to comply with the Mayflower agency agreement. We possibly would have our name on several trailers, yes.

Q As a matter of fact, you have it on all of them, don't you?

A No, sir. No, sir.

Q How do you know that?

A Because they are sitting on the lot.

Q They are sitting on your lot?

A They are sitting on the lot.

CHAIRMAN SHANNON: Who owns those vehicles?

A Smith Storage and Moving Company.

CHAIRMAN SHANNON: And yet you are putting your name on them?

A Now, Your Honor, I am not certain. I know there are two trailers in our paint shop in Petersburg being painted. Now, whether our name is on them, I am not sure.

BY MR. WHITE

Q You are painting them in your shop, at your expense?

A Two trailers, yes, sir.

Q And you are going to tell this Commission that you don't own them?

A I didn't say that. I didn't say we don't own them.

Q Well, do you own them?

A No, sir. I didn't say that we had acquired them either.

MR. WHITE: No need to ask this witness anything.

MR. COLE: You all are in the middle of negotiations of the transfer now, aren't you?

A Yes, sir.

MR. COLE: No further questions.

MR. JONES: No questions.

CHAIRMAN SHANNON: You may stand down.

WITNESS STOOD ASIDE.

ALVIN L. SHEFFIELD,

a witness introduced on behalf of the Protestants, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COLE

Q Will you state your name, address and occupation?

A Alvin L. Sheffield, and I am President of Sheffield Transfer and STorage Company in Petersburg, and I live at 1925 Cumberland Avenue.

Q Mr. Sheffield, what type of business is your Company in, or what rights do you all have?

A We are in the moving and storage business since 1931. We store and move local, whatever moving services are called for.

Q Do you have more than one warehouse?

A No. I have one warehouse located at 221 Rumbeck Street in Petersburg of approximately thirty thousand square feet.

Q And is your office located there too?

A Yes, it is.

Q And you have no other facilities except that one?

A No.

Q How much equipment do you have?

A I have approximately five pieces of equipment.

Q Would that be five moving units?

A There are five moving units, trucks, rolling stock.

Q How much business do you do from the Hopewell area?

A Very little. Probably several moves a year at the most.

Q Do you have your name and advertisement in the Hopewell telephone directory?

A It is in the Petersburg, Tri-City area directory, which covers Hopewell.

Q Why is it that you only get such a small number from the Hopewell area?

A I don't believe there is that much demand. We have been there, we are known. We have been in business since 1931, and we know a lot of the community leaders, plant managers and so forth. I don't believe there is that much demand in Hopewell area.

Q Do you solicit business from the businesses that were mentioned here this morning, like Firestone and Allied Chemical, and Hercules, and Continental

Can?

A No, we do not. We do not have a salesman out.

Q You are in the directory though?

A Right. And newspaper.

Q Which newspaper?

A The Providence in Petersburg.

Q Have you had to turn down any business from the Hopewell area, or from any other area, from any other place in the Tri-City area?

A Not that I know of. Now, as has been stated before, on a given day we may be over-committed, and we transfer to another day if people so desire.

Q Do you participate in this military program?

A Yes, sir, I do.

Q Do you get any of that business?

A Not intra. We are not filed for intra-state moves because we happen to know that another carrier filed at a lower rate.

Q And he gets it?

A He gets ninety-five percent of it, I think, -- somewhere in that neighborhood.

COMMISSIONER BRADSHAW: Who is that carrier?

A Well, I don't know whether I am free to say.

MR. COLE: Go ahead and tell him.

A It is Heflebower.

COMMISSIONER BRADSHAW: That is because he is not a member of the Association and has a lower rate?

A Well, most of the carriers in the State of Virginia are filed under Virginia Movers and Warehousemen Association, and I think he files his own tariff.

BY MR. COLE

Q All right. That is all the questions I have.

CROSS EXAMINATION

BY MR. WHITE

Q You have never called on the Chamber of Commerce at all about business conditions in Hopewell, have you?

A No, I have not.

Q So the very people that know more about it, you have never even bothered to call, have you?

A Well, I don't call on the Chamber of Commerce of Petersburg either, so far as that is concerned. I mean -- well, I am a member of the Chamber of Commerce

of Petersburg, but I don't go up there and ask specific information.

Q You are not a member of the Hopewell --

A No, sir.

Q Your are not supporting their local conditions at all then are you?

A I feel that I support the area that is around me.

Q I understand. That is the very point I am getting at. Hopewell is not the area around you, is it?

A Well, it is close enough to be toll-free.

MR. WHITE: That is all I have.

CHAIRMAN SHANNON: Mr. Jones?

MR. JONES: Yes, Your Honor.

CROSS EXAMINATION

BY MR. JONES

Q Do you file your tariff right here with Fort Lee -- is that what you would charge if you could get the bushess? You don't offer any lower contract rates to Fort Lee?

A Not for local, not for intrastate moves.

Q But you realize you have a legal right to do so?

A If I file a tariff through the State Corporation Commission and got it approved. That is the only way, I would think, that I could.

Q It is my understanding that contracts with the Federal Government, even for intrastate moves, you can charge whatever you want. I think that is true, Your Honor, in the Supreme Court case that went up, and I just wondered --

CHAIRMAN SHANNON: I am not going to concede that. I know you have Section 22 that you can produce free rates from municipalities and agencies of the Federal Government, but I am not going to concede that point at this juncture, although I know the point has been made.

MR. JONES: Okay. That is all I have.

COMMISSIONER BRADSHAW: Before you step down, Mr. Sheffield, who is John F. Ivy?

A That is a national concern like Mayflower and Allied and so forth.

COMMISSIONER BRADSHAW: I was just not familiar with them.

A They are out of Detroit, Michigan.

COMMISSIONER BRADSHAW: Out of Michigan? Is that a picture of a little boat. This photostat

is not so good. It looks almost like the Mayflower emblem. Is that what that is?

A In this decal? That is a world.

COMMISSIONER BRADSHAW: Oh, a world.

CHAIRMAN SHANNON: You may stand down, Mr. Sheffield.

WITNESS STOOD ASIDE.

HERBERT FLAX,

a witness introduced on behalf of the Protestants, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COLE

Q Mr. Flax, will you state your name, address and occupation?

A Herbert Flax, President of Barnes Transfer and Storage.

Q Mr. Flax, where is Barnes Transfer and Storage located?

A 3807 Councilwood Road.

Q Now, for this record here, where is that?

A Southside.

Q How far are you from the Hopewell/Petersburg area?

A Twenty miles. About twenty miles.

Q What type of operation does Barnes do?

A We are intrastate and interstate movers, and agents for Lyon Van Lines.

Q Do you do any business down in the Tri-City area?

A A small amount.

Q Do you advertise in the telephone directory

in that area?

A No, sir, I do not.

Q Do you solicit business at any of these large companies down there?

A Yes, I do.

Q Tell us what you do in that regard?

A We call on the traffic managers within the area and also Fort Lee.

Q Do you get business from that area?

A Occasionally, but not a great amount.

Q How about Fort Lee?

A We participate in the traffic there according to the rotation.

Q How much equipment do you have available in that area?

A Ten pieces.

Q Are you able to handle moves in that particular area?

A Yes, sir.

Q Have you hauled people -- have you noticed any big demand in the Hopewell/Petersburg area for hauling?

A No, sir.

MR. COLE: I have no further questions.

CROSS EXAMINATION

BY MR. WHITE

Q If anyone wanted to call you, he would have to make a long distance call to get you wouldn't he, from Hopewell?

A I will tell you this. In general, the few calls I get, they call collect, and we take the collect call.

Q You have to pay for it then?

A Yes, sir, I will pay for it.

MR. WHITE: That is all I have got.

CHAIRMAN SHANNON: Mr. Jones?

MR. JONES: No questions.

CHAIRMAN SHANNON: You may stand down, Mr. Flax.

WITNESS STOOD ASIDE.

MR. COLE: Mr. Cosby?

CHAIRMAN SHANNON: How many witnesses after Mr. Cosby do you have?

MR. COLE: Just about one more.

COMMISSIONER BRADSHAW: This is Mr. Shuford's client, isn't it?

MR. COLE: No, sir. Mr. Shuford's Cosby is named Thomas.

W. RANDOLPH COSBY,

a witness introduced on behalf of the Protestants, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COLE

Q Mr. Cosby, will you state your name, address and occupation?

A Yes. I am W. Randolph Cosby, Jr., Manager and President of W. G. Cosby Transfer and Storage, 2910 North Boulevard, Richmond.

Q Just explain briefly your operation?

A It is local moving. Also certificated carrier for intrastate moves and agent for Global Van Lines for interstate and other carriers for overseas shipping.

Q Do you do any business down in the

Tri-City area?

A Very little, sir.

Q Do you advertise down there?

A Yes, sir. A small trademark listing under Global Van Lines.

Q Does that produce any business for you?

A It produces some calls, sir, but I would say in the total area, the calls do not exceed three a month, although I haven't kept a specific record of it.

Q Do you want to go to that area and haul?

A Yes, sir. We would be glad to. We are down there servicing Fort Lee anyway, and it is certainly not considered off the beaten path, because many of the Fort Lee people reside in the Hopewell area, or Prince George area also.

Q What do you do at Fort Lee?

A We do primarily interstate moving, some storage referred to as non-temporary storage. Also overseas moving, and on a very irregular basis, we get a call for intrastate moves at Fort Lee.

Q Do you have much intrastate calls from Fort Lee?

A No, sir. It is usually the peak season

-- the last couple of days in the month.

Q Are you able to provide any moving services in that tri-city area that may call?

A We believe so, except for maybe specific select days that have been mentioned before. Ours is a very seasonable business, and at the end of the month in June and August, you usually are booked solid, maybe the last day, but generally we can guide it into another day.

I will say this. That when we cannot do this we frequently have taken the name and telephone number of the party moving, and when we call them back, they have invariably found some other mover to service the order.

Q Do you know of any occasion where that has not occurred?

A No, sir, I don't. Not even for single pieces.

Q Do you always take those names and call back to make sure they have gotten the service?

A No, sir, we do not always call back because sometimes the people say that they have to move within a couple of days, and if we don't come up with available space, like a cancellation a couple of days later, then we would not be calling that person back, but

if we do, we do call back, and we invariably find that they have already been serviced.

I don't mean to imply that is true just in the Hopewell area. That is true with the operation in general, Mr. Cole.

Q How much equipment do you have?

A We have ten power units and about four or five trailers.

Q Is it any problem the fact that you are here in Richmond that you might haul people --

A I don't foresee any. We do it for the military.

Q The Applicant here has a warehouse here in Richmond.

A I heard him testify that he did, yes, sir.

Q Of course, he can haul out of this area too. I have no further questions.

CROSS EXAMINATION

BY MR. WHITE

Q Mr. Cosby, really the basic problem with moving is the adjustment of damaged furniture after it has been delivered, isn't it?

A No, sir.

Q It isn't?

A No, sir.

Q Suppose I told you I had trouble with Cosby?

A You would probably be right.

Q That is right. I don't mean to imply -- it is a basic problem. To adjust that claim, they have to get hold of the mover that moved them, don't they?

A Generally, yes, sir.

Q So if somebody were in Hopewell and had to come to Richmond to see you about that matter, it would be a tremendous inconvenience?

A You say get hold of me? You mean specifically hold of me?

Q Well, that is what I have to almost do to some of them, but assuming you wanted to look at the man face-to-face.

A If you want to look at him face-to-face, you would certainly have to come or he would have to go there. You stand more of a chance of the carrier going to the Hopewell area than you would to the Norfolk, or Roanoke, or some other area, because we are down in that area anyway.

Q All right. Do you have an adjustor in

that area?

A I am the one.

Q How many times have you been to Hopewell in the last five years?

A To Hopewell?

Q Yes.

A I go down there pretty often, because I also see the military jobs, so I would guess certainly it averages two or three times a month, easily, being in that area. Maybe more than that. I don't have any statistics on it.

Q Well, on those two or three times a month, if the people weren't home, they would have to come see you, wouldn't they?

A No. I wouldn't go without a specific appointment, sir. I don't do that locally either.

Q But it does require some inconvenience -- if a person is right there in the town, they can see them a whole lot easier than they can see you in Richmond or wait for your convenience for an appointment.

A I have never seen a claim that didn't involve inconvenience.

Q I see. And the better you service it, the less inconvenience there is.

A To have a claim-free perfect move, that would be ideal.

Q So the closer the man is to the complaint the easier it is to handle, isn't it?

A No, sir.

Q It is not?

A No, sir.

Q Well, how easy could you go to San Francisco and handle one?

A I wouldn't go to San Francisco to handle one.

Q You wouldn't go at all?

A I wouldn't go personally. You are right about that. Whether I represent Mayflower, or Bokins, or what have you, I wouldn't go.

Q What I am saying is if you reduce the area you are more apt to go?

A The smaller the area you are more apt to go?

Q So if a man is in Hopewell he is going to give it more attention, isn't he?

A I don't think so. I think I would give it attention too, sir.

Q I understand. And do you call on the

Chamber of Commerce?

A No, sir.

Q Do you know anything about the operation down there?

A Not until today.

Q Do you know anything about the people down there that really are in the commercial structure -- the Chamber of Commerce?

A Not personally. I have made calls on them though. In fact, we have been awarded some local commercial business.

Q You said something that is really interesting to me. You said if you couldn't handle them on that day you would guide the people into another day.

A That is right. Explaining the days that we were available.

Q So that is an inconvenience too when you can't move them the day they want to, isn't it?

A You know, it is surprising how many people do have flexibility on changing from one day to the other, once it is presented. Some do not, but many do.

Q That is an inconvenience, isn't it?

A For some, it would certainly be an

inconvenience.

Q So when you can't handle them they are obviously inconvenienced, right?

A Yes, sir, that is right. Let me say that no matter how many certificates were given, that on a given day a mover could be too busy to handle the additional work, that is possible, sir.

MR. WHITE: That is all, sir.

MR. JONES: No questions.

CHAIRMAN SHANNON: Thank you. Can can stand down, Mr. Cosby.

WITNESS STOOD ASIDE.

MR. COLE: Mr. Thomas?

DAVID THOMAS,

a witness introduced on behalf of the Protestants, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COLE

MR. COLE: This is Mr. Shuford's bunch.

MR. SHUFORD: I am going to accede to Mr. Cole.

MR. WHITE: This will probably be the last time you will do that.

BY MR. COLE

Q Your name?

A I am David Thomas, and I live at 2811 Euphoria Drive, Chester, Virginia.

Q Mr. Thomas, just briefly give us some description as to the operation of your Company?

A Intra I operate anywhere in the State of Virginia. I represent North American Van Lines on interstate basis.

Q How about down in the Tri-City area, Hopewell, Petersburg and Colonial Heights. Do you do any work down there?

A Yes, sir. I have a full time salesman

that lives in Colonial Heights. I live in Chester myself, which I consider part of the Tri-City area, and I have worked this area actively myself over the past five years.

Q What amount of business have you gotten out of that area?

A Not any exceptional amount, not enough to justify full time, no, sir.

Q Do you think there is enough work in the Hopewell area alone to justify a carrier?

A No, sir.

Q Do you do any of the military work down there, or do you attempt to do

A Yes, sir. I am doing a military job today in Hopewell.

Q Is that through Fort Lee?

A Yes, sir.

Q This salesman that you mentioned, does he call upon the big companies like Firestone, Hercules, and Allied Chemical and so forth in that area?

A I call on most of them myself.

Q Will you just tell us what reception you get from them, and whether you have had to turn down any business, or whether they are getting service?

A As far as I can tell, they are getting service. Most of our chief competition in that area comes from other Richmond-based firms, not the local firms in that area.

Q How much equipment do you have, sir?

A Approximately twenty pieces of equipment.

Q Do you feel that you are able, like the other carriers that have been mentioned here in that area to fully service the public down there?

A Yes, sir, I do.

Q Have you ever received any complaints from anybody to the effect that they couldn't be moved?

A No, sir, not to my knowledge.

MR. COLE: No further questions.

MR. WHITE: No questions. It is strange to have two direct counsel.

CHAIRMAN SHANNON: He waived any rights he had, I think, when he turned him over to Mr. Cole.

MR. SHUFORD: I don't have any questions, Your Honor. That is the reason I --

MR. WHITE: We don't have any questions, Judge.

CHAIRMAN SHANNON: Mr. Jones?

MR. JONES: No questions.

COMMISSIONER BRADSHAW: Did you say you advertised in Hopewell?

A Yes, sir, I do.

COMMISSIONER HARWOOD: Mr. Thomas, answer a question for me, if you will. Does the Defense General Supply Agency come under the Fort Lee wheel of fortune? Is that installation covered by Fort Lee?

A By Fort Lee now, yes, sir, for household goods movement.

BY MR. COLE

Q Let me ask one other question. Do you have toll-free phone service?

A Yes, sir. I have always advertised down there, and before it was an enterprise number that they could dial direct, and now it is just a telephone number, which also goes in a charge to the area, which is 748-2808.

Q All right, sir. Thank you.

CHAIRMAN SHANNON: All right. You may stand down.

WITNESS STOOD ASIDE.

MR. COLE: If Your Honors please, I think this is essentially our case. There are a number of other gentlemen here who would testify as to the same thing, and it might be good if we would let them just --

CHAIRMAN SHANNON: You want to have them all identify themselves and be sworn and adopt this testimony? Do you have any objection to that.

MR. WHITE: Sir, I think a man would be crazy to admit he wanted to keep competition down.

MR. COLE: I want those who are opposed to this Application -- I don't want any that are in favor of it -- to stand up.

CHAIRMAN SHANNON: Will you gentlemen state your name for the record?

SPECTATORS FROM COURTROOM: T. C. Shelburne, Shelburne Transfer and Storage; Frank Smith, Security Storage Division of Victory Van Corporation, Richmond, Virginia.

MR. COLE: Thank you. That is my case.

MR. JONES: Your Honor, I have one bit of information. I would like to introduce -- the

1 Commission can take official notice of its
2 own records, but I would just like to pass
3 a copy of this letter to the file.
4 It is some information requested by
5 Stephen Byce, an Attorney representing Cardinal
6 Transfer and Storage, in Case No. HF-93, which
7 comes up in January, and he requested for me to
8 trace a movement of household good carriers into
9 and out of Richmond for the past ten or fifteen
10 years; dating back from 1957, there has been a
11 net change, by my calculations, of three carriers
12 moving out of Richmond, and one moving into
13 Richmond, as far as their main addresses go.
14 CHAIRMAN SHANNON: Well, I will --
15 MR. JONES: They are identified and so
16 forth.
17 CHAIRMAN SHANNON: There is no use to put
18 that information in this record. If he wanted
19 to get it in, I think he would have been here
20 today.
21 MR. JONES: This is in another case.
22 CHAIRMAN SHANNON: This is in another
23 case, right. As you said, we can take official
24 notice of our certificates that have been issued.
25 COMMISSIONER BRADSHAW: Mr. Jones,

you said he asked you to prepare an in and out movement of all previous moves? We are helpful here at the Commission, but I don't want Commerce Counsel's Office preparing that type of case for the Applicant.

MR. JONES: No, he just asked how many certificated carriers have come into the Richmond area in the past ten years, and how many have moved out, and the transfer --

COMMISSIONER BRADSHAW: Well, that seems like an undue burden.

MR. JONES: Well, there has only been a net change of three or four altogether, and it just took about half an hour.

CHAIRMAN SHANNON: Before we close this record let me say this. For the benefit of Center Carrier and Storage, who were obviously interchanging vehicles, I want to direct their attention to our rules and regulations governing household good carriers, which the Commission requires rigid adherence to. Its Rule 3 says, "No certificate or rights thereunder shall be leased, mortgaged, pledged, or hypothecated unless first authorized by the Commission."

Rule 8 says, "All motor vehicles, including substitute or emergency vehicles while being operated under a certificate shall carry on such vehicles the warrant furnished by the Commission."

And Rule 10 says, "Every household goods carrier shall have painted on both sides of every vehicle operated by such carrier, in letters not less than four inches in height, the name of the certificated operator of such vehicle and in figures not less than three inches in height the number of the certificate held by such carrier."

Now, we expect these rules to be complied with, and if there is any kind of a lease arrangement or operating arrangement that is made without the benefit of our blessings, it is illegal and in violation of the rules and regulations governing household good carriers.

Now, I just make that gratuitous comment for the guidance of the parties.

Is there anything further now to come before the Commission?

MR. WHITE: The exhibits that we have filed.

CHAIRMAN SHANNON: That late filed exhibit. When do you think they will get that in?

MR. WHITE: I will say this week, sir.

CHAIRMAN SHANNON: And copies will be distributed to all counsel?

MR. WHITE: Yes, sir.

CHAIRMAN SHANNON: Pending receipt of the late filed exhibit, the Commission will take this matter under advisement, and the Commission will rise. 12:25 p.m.

(Whereupon, at 12:25 p.m., December 16, 1974, the hearing was adjourned)

SCC-62—7-9-58—15M (Thick).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

Application of	City of Richmond
Lee Moving, Inc. of Hopewell	December 20, 1974
For a Certificate of Convenience and Necessity as a Household Goods Carrier.	Case No. HF-92

December 16, 1974 came on for hearing the application of Lee Moving, Inc., of Hopewell for a certificate of public convenience and necessity as a household goods carrier for the transportation of household goods between points in Virginia, Commissioners Shannon, Bradshaw and Harwood sitting.

David Meade White and Plato G. Eliades appeared as counsel for the applicant. Marvin F. Cole, Walker Florance and Paul M. Shuford appeared as counsel for various interveners. Hamill D. Jones, Jr., appeared as counsel for the Commission.

The Commission being of the opinion, from the consideration of testimony and exhibits presented, that the proposed operation is justified by the public convenience and necessity;

IT IS ORDERED that the application of Lee Moving, Inc., of Hopewell be, and it is hereby, approved.

IT IS FURTHER ORDERED that a certificate of public convenience and necessity be issued to Lee Moving, Inc., of Hopewell, authorizing the transportation of household goods between points in Virginia upon the filing of proper insurance and tariff of rates as required by Chapter 12.1, Title 56, Code of Virginia.

Attested copies of this Order shall be mailed to all counsel of record.

C-59—6-30-61—10M—(Thick)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
RICHMOND

Application of

LEE MOVING, INC. OF HOPEWELL

For a certificate of public convenience and necessity as a household goods carrier.

APRIL 1, 1975

CASE NO. HF-92

Opinion, SHANNON, Commissioner

Lee Moving, Inc. of Hopewell (applicant) applied to the State Corporation Commission for a certificate of public convenience and necessity as a household goods carrier by motor vehicle to provide service "between points in Virginia."

The application was set for hearing, and notice thereof was given in accordance with §56-338.10, Code of Virginia, and the Commission's Rules and Regulations Governing the Supervision, Control and Operation of Household Goods Carriers by Motor Vehicle.

The hearing was held on December 16, 1974. David Meade White and Plato G. Eliades appeared as counsel for the applicant. Marvin F. Cole, Walker Florance and Paul M. Shuford appeared as counsel for various protestant certificated carriers. Hamill D. Jones, Jr., appeared as counsel for the Commission.

Testimony and exhibits were presented by the applicant and by the protestants. Upon the completion of the hearing, the matter was taken

under advisement pending the receipt of an exhibit to be subsequently filed by the applicant. The designation "Exhibit 1" was reserved for the exhibit. Counsel of record were to have been mailed a copy of the Exhibit 1 at the time it was filed with the Commission. Mr. Shuford expressly requested that he and other opposing counsel ". . . be allowed to examine it (the exhibit), to see if we want to examine . . . [the introducing witness] on it " (T. 35). For no other reason than inadvertence the Commission entered an order dated December 20, 1974, six days prior to the receipt of "Exhibit 1," granting the application.

The delayed exhibit was to have been a balance sheet reflecting applicant's condition at the end of a time period in closer proximity to the hearing date. During the hearing, the Chairman noted that the most recent balance sheet offered covered a period ending April 30, 1974. It was also noted that the figures thereon showed total current liabilities exceeding total current assets by over $6,700. In response, the witness for applicant, Mr. Wray, testified that he had forgotten to bring a more recent financial statement which would show a different and, presumably, satisfactory picture with reference to working capital. The same witness further explained that only about five months of the year are "money-making" months for movers, namely, from May 1st through September. In other words, the financial statement of April 30, 1974, reflected a normal condition for the period covered. None of these comments by Mr. Wray were disputed, or refuted, by subsequent evidence or argument.

On December 26, 1974, Exhibit 1 was received by the Commission. Needless to say, had the exhibit contradicted Mr. Wray's earlier testimony, or had it otherwise been adverse to the applicant's case, the Commission, on its own motion and upon proper notice, would have reconsidered its prior order of December 20 granting the application.

An attested copy of the Commission's December 20 order was directed to be sent to all parties of record. No objection was made to the Commission that said order was untimely or premature, and no request was then or thereafter made to reassemble the parties for the purpose of challenging the late-filed exhibit. At no time prior to the filing of the notice of appeal and assignments of error was the Commission made aware of any party aggrieved by its order of December 20. Rule 7:9 of the Commission's Rules of Practice and Procedure makes specific provision for rehearing or reconsideration by the Commission for twenty-one days following entry of all final judgments, orders and decrees -- subject to certain exceptions not here pertinent.

The applicant's first witness at the hearing was Earl Wray, president of Lee Moving, Inc. of Hopewell. He testified that he had been in the moving business for ten years, first in Richmond as an employee of now defunct Universal Van Lines, then with Lee Moving and Storage, Inc. (located in Hopewell) which he purchased in early 1973 -- changing its name to Lee Moving, Inc. of Hopewell. Applicant

presently operates one road tractor, one trailer, five straight trucks, three packing trucks and two flat bed trailers and leases 10,000 square feet of warehouse space in Hopewell and 6,200 square feet in the Richmond area. The moving equipment and business are based in Hopewell.

Applicant was the local agent for Bekins Van Lines for four years before recently becoming the local representative in Richmond and Hopewell for Mayflower World Wide Moving. Applicant also acts as a contract carrier in performing the local movement of household goods under the exemption of Virginia Code §56-338.2(c). Lee Moving has had experience in performing military moves from Fort Lee, Virginia.

Mr. Wray testified that no certificated household goods carrier was based in either the City of Hopewell or the County of Prince George. The nearest certificated carrier was based in Petersburg.

Mr. Wray further testified that Lee Moving employed twelve to fifteen full-time employees and an additional fifteen to twenty employees were hired during the summer season.

Mr. Wray's testimony, and the applicant's Unaudited Financial Statements for the Twelve Months Ended April 30, 1974, indicate a financial base sufficient for a corporation to begin operations as a certificated household goods carrier. For example, of the total moving equipment with a depreciation value of $43,850 as of April 30, 1974, only two pieces were being financed -- having an unpaid balance of $19,667

(including interest). Also as of April 30, 1974, applicant was making monthly installment payments in the amount of $1,191.67 on a sixty-month note covering a loan obtained with which to purchase the business. The note was dated May 29, 1973, and payments were current. Net revenue, after taxes, for the year ending April 30, 1974, amounted to $7,940. Total revenue for the period was in the amount of $193,700. Although current liabilities exceeded current assets by $6,750 as of the same April 30, the working capital deficit was attributed to the fact that as of that date the peak summer season was about to begin and the off-season winter period was ending. The Unaudited Financial Statements for the Nine Months Ended January 31, 1974, indicated that the total current assets exceeded the total current liabilities by $6,766. The "turnaround" occurred between January 31, 1974, and April 30, 1974, and reflected the usual and expected decrease in business during the "off-season."

Although Exhibit 1 was not received until six days after the Commission granted the application herein, and was therefore not considered, the Unaudited Financial Statements for the Three Months Ended July 31, 1974, supports Mr. Wray's testimony in all respects pertaining to applicant's financial position. Total current assets were shown to exceed total current liabilities by $8,967. Accounts receivable had increased by approximately $25,000, and cash by $4,000. The summer increase in business had materialized as expected.

From the financial data provided at the hearing, it appeared that Lee Moving, Inc. of Hopewell was a fiscally sound company that would be financially able to transact business as a certificated household goods carrier.

To summarize another aspect of Mr. Wray's testimony, it appears that two or three times a month applicant turns down requests from Hopewell's industrial complex to handle intrastate moves beyond applicant's existing authority.

Malcomb Eubank, vice president of the Hopewell Chamber of Commerce, testified as to the industrial payroll and population statistics of the Hopewell area. The 1960 population of Hopewell was 17,895. The 1970 population was 23,471 and represented a 31.2% increase. Annexation has occurred increasing the geographic land area of the City as well. The 1970 tri-city (Hopewell, Petersburg and Colonial Heights) population was 132,000. The annual industrial payroll of Hopewell was 67 million dollars. The annual civilian and military payroll of Fort Lee was over 80 million dollars.

Mr. Eubank testified that the Chamber of Commerce endorsed the application as did the Manufacturers Association of Hopewell. He also testified about the advantages of Hopewell having its own local "home town" mover.

Six witnesses testified for the protestants. Other potential witnesses for the protestants were seated in the courtroom and were identified for the record.

From the protestants' testimony and exhibits one might infer that the creation of an additional certificated carrier, albeit based in Hopewell, would have a detrimental effect on existing carriers serving the area. There was testimony that the Richmond and Petersburg carriers advertised, solicited, and provided service in the Hopewell area. Furthermore, it was suggested that a Hopewell-based carrier would infringe upon the Richmond area from which a large portion of household goods carrier business originated.

The Commission was advised during the hearing that its records reveal that there were two less certificated carriers in the Richmond-Petersburg area in 1974 than there were in the year 1957. This appears relative when one realizes the "growth posture" of Hopewell as described by Witness Eubank.

The witness for Smith Storage and Moving Company, one of the protestants, remarked that a call was received from the Colonial Heights-Petersburg-Hopewell area, "every now and then." This witness also said that his company has had "very little" intrastate business for Hopewell's industrial employers. He had also concluded that a majority of people "select a carrier from the city of their origin to move them." This carrier was negotiating the sale of its business at the time of the subject hearing.

The witness for Center Carriers Corporation, a protestant, estimated not over half a dozen intrastate moves a year from Hopewell for his company.

The witness for Sheffield Transfer and Storage Company in Petersburg described his company's business in Hopewell as "very little." Further, this company didn't even solicit business from Hopewell's industrial community.

Witness Flax, for Barnes Transfer and Storage in Richmond, said they get occasional business in the tri-city area, but not a great amount. The same was true of W. G. Cosby Transfer and Storage -- another protestant.

It is significant that none of the opposing witnesses -- including the above -- offered any testimony regarding the effect they expected on their respective companies if the certificate were granted. The Commission has neither fact nor opinion which would support a conclusion that any of the protestants would be adversely affected in serving the public if applicant prevails.

From the evidence in this case we conclude that the people of Hopewell will be benefited by a certificated carrier of the financial stature and with the household goods moving experience of Lee Moving, Inc. of Hopewell.

For the reasons stated herein, the Commission is of the opinion that the public convenience and necessity justify the proposed operation and the application has been granted.

Concurring, BRADSHAW and HARWOOD, Commissioners

VIRGINIA:

IN THE STATE CORPORATION COMMISSION OF VIRGINIA

IN RE: CASE NO. HF-92
Application of
Lee Moving, Inc. of Hopewell
for a Certificate of Convenience
and Necessity as a Household
Goods Carrier.

NOTICE OF APPEAL
and
ASSIGNMENTS OF ERROR

The undersigned intervenors in the above proceeding hereby give notice of their intention to appeal from the Order of the Commission awarding a Certificate of Convenience and Necessity to the applicant, Lee Moving, Inc. of Hopewell, and assign as Error the following:

1. The Order of the Commission awarding a Certificate of Convenience and Necessity, as a Household Goods Carrier, to Lee Moving, Inc. of Hopewell, was contrary to the law and the evidence.

2. Having asked the applicant for a 'more recent' financial statement than was available at the hearing, and having, upon request, promised to afford counsel for the various intervenors an opportunity to review and comment upon the same -- and, if deemed appropriate, to examine applicant upon same, and to argue the matter -- the Commission (i) did not receive and consider said financial statement, and/or (ii) in all events, did not afford counsel for intervenors any opportunity to see the same or exercise any other right or privilege in connection therewith.

J. C. SHELBURNE TRANSFER & STORAGE CORP.

BARNES TRANSFER & STORAGE, INC.

BROOKS TRANSFER & STORAGE CO. INC.

CENTRE CARRIERS CORP.

COSBY TRANSFER & STORAGE CORP.

M. W. COSBY CO., INC.

HEFLEBOWER TRANSFER AND STORAGE, INC.

L. A. SHEFFIELD TRANSFER & STORAGE CORP.

A. C. & A. R. SMITH t/a SMITH'S STORAGE & MOVING CO.

VICTORY VAN CORPORATION, SECURITY STORAGE DIVISION

By _____
Of counsel

Marvin F. Cole
201 North Boulevard
Richmond, Virginia 23220

Paul M. Shuford
418 Mutual Building
Richmond, Virginia 23219

CERTIFICATE

I hereby certify that I have, this 20th day of January, 1975, at the time of filing same with the Clerk of the State Corporation Commission, mailed, postage paid, a copy of the foregoing Notice of Appeal and Assignments of Error to:

Richard D. Rogers, Jr., Esquire, counsel for the Commission (Attention: Michael L. Rigsby, Esquire, Commerce Counsel, and Hamil D. Jones, Jr., Esquire, who appeared at the hearing as

'counsel for the Commission'), at his office at the State Corporation Commission, Blanton Building, Richmond, Virginia;

Honorable Andrew P. Miller, Attorney General of Virginia, at his office in the Supreme Court Building, 1101 East Broad Street, Richmond, Virginia;

Walker Florance, Esquire and Mrs. Jewell S. Tanner, Executors and Trustees U/W Elam L. Tanner, Jr., d/b/a Tanners Transfer & Storage, at Mr. Florance's office in the Mutual Building, Richmond, Virginia; and

David Meade White, Esquire, 706 Mutual Building, Richmond, Virginia, and Plato G. Eliades, Esquire, 103 East Poythress Street, Hopewell, Virginia, counsel for Lee Moving, Inc. of Hopewell.

CERTIFICATE

I, William C. Young, certify that true copies of the following are included in the record:

(1) Application with exhibits,

(2) Copies of all orders entered by the Commission,

(3) Transcript of all testimony received,

(4) The opinion, and

(5) Notice of Appeal and Assignments of Error;

and that all the original exhibits which were accepted as well as those which were rejected are attached hereto.

Given under my hand and the seal of the Commission this 3rd day of April, 1975.

William C. Young

William C. Young
Clerk

LEE MOVING, INC. OF HOPEWELL

Hopewell, Virginia

UNAUDITED FINANCIAL STATEMENTS

For the Three Months Ended July 31, 1974

TAYLOR, GREGORY & ANDREWS
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 375
PETERSBURG, VIRGINIA 23803
TELEPHONE (804) 733-4511

JERRY W. TAYLOR, C.P.A.
ARLEN S. GREGORY, C.P.A.
FRANCIS W. ANDREWS, C.P.A.

October 18, 1974

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
VIRGINIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

The Officers and Directors
Lee Moving, Inc. of Hopewell
Hopewell, Virginia 23860

The accompanying balance sheet of Lee Moving, Inc. of Hopewell, Hopewell, Virginia, as of July 31, 1974, and the related statements of income and changes in financial position for the three months then ended were not audited by us; accordingly, we express no opinion on them.

Taylor, Gregory & Andrews
Certified Public Accountants

UNAUDITED

INCOME STATEMENT

For the Three Months Ended July 31, 1974

EXHIBIT "B"

REVENUE:		
Appliance service	$ 312	
Booking commissions	8 905	
Delivery outs	6 776	
Interstate hauling	12 062	
Local hauling	18 561	
Overseas shipments	1 347	
Packing and unpacking	16 151	
Pick-ups	3 497	
Storage	7 767	
Warehouse handling	3 852	
Other revenue	1 361	
Total Revenue		$80 591
OPERATING AND ADMINISTRATIVE EXPENSES:		
Advertising	$ 501	
Amortization	73	
Depreciation	5 661	
Gas and oil	1 532	
Insurance - group	491	
Insurance - other	1 635	
Interest	1 656	
Other transportation expense	799	
Postage and office supplies	863	
Professional services	655	
Rent	2 000	
Salaries:		
Office personnel	3 185	
Officer	3 935	
Salesman	3 350	
Others	23 757	
Storage and packing materials	3 261	
Taxes and licenses	2 733	
Utilities	1 811	
Warehouse supplies and repairs	4 199	
Miscellaneous	394	
Total Operating and Administrative Expenses		62 491
INCOME FROM OPERATIONS		$18 100
OTHER DEDUCTION - Write-off agency agreements (Note 4)		8 500
INCOME BEFORE INCOME TAXES		$ 9 600
INCOME TAXES:		
Federal (Note 3)	$ -	
State	576	576
NET INCOME FOR THE PERIOD		$ 9 024
Earnings per Share of Common Stock Outstanding		$9.02

(Unaudited - See Accountant's Transmittal Letter)

UNAUDITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Three Months Ended July 31, 1974

EXHIBIT "C"

WORKING CAPITAL WAS PROVIDED BY:		
Operations:		
Net income for the period	$9 024	
Add expenses not requiring the use of working capital:		
Amortization	73	
Depreciation	5 661	
Write off agency agreement	8 500	
Total Working Capital Provided		$23 258
WORKING CAPITAL WAS APPLIED TO:		
Decrease in long-term indebtedness	$5 082	
Purchase of fixed assets	2 459	
Total Working Capital Applied		7 541
INCREASE IN WORKING CAPITAL		$15 717

The net change in each element of working capital is summarized as follows:

	July 31, 1974	April 30, 1974	Increase (Decrease)
CURRENT ASSETS:			
Cash	$ 983	$ 4 987	$(4 004)
Accounts receivable	45 832	17 672	28 160
Prepaid expenses	4 202	1 825	2 377
Total Current Assets	$51 017	$24 484	$26 533
CURRENT LIABILITIES:			
Accounts payable	$12 203	$ 4 610	$ 7 593
Notes payable	19 555	19 055	500
Employees taxes withheld	3 245	1 438	1 807
Accrued taxes	954	5 614	(4 660)
Income taxes payable	1 093	517	576
Loan from officer	5 000	-	5 000
Total Current Liabilities	$42 050	$31 234	$10 816
WORKING CAPITAL	$ 8 967	$(6 750)	$15 717

(Unaudited - See Accountant's Transmittal Letter)

BALANCE

July 31

ASSETS

CURRENT ASSETS:			
Cash in bank		$ 983	
Accounts receivable		45 832	
Prepaid expenses:			
Insurance	$2 858		
Taxes	1 182	4 040	
Employee advance		162	
Total Current Assets			$ 51 017
OTHER ASSETS:			
Agency agreements and franchises		$ 3 500	
Unamortized organization expense		1 091	4 591

FIXED ASSETS:

	Cost	Accumulated Depreciation	Remaining Cost	
Warehouse equipment	$ 41 699	$10 301	$31 398	
Office fixtures and equipment	4 937	1 197	3 740	
Automotive equipment	53 424	10 605	42 819	
	$100 060	$22 103	$77 957	77 957
				$133 564

(Unaudited - See Accounta

HEET

1974

EXHIBIT "A"

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:			
Accounts payable		$12 203	
Notes payable (Note 2)		19 555	
Employees taxes withheld		3 245	
Accrued taxes		954	
Income taxes payable (Note 3)		1 093	
Loan from officer		5 000	
Total Current Liabilities			$ 42 050
LONG - TERM INDEBTEDNESS (Note 2)			64 322
STOCKHOLDER'S EQUITY:			
Capital Stock:			
Authorized, 1,000 shares, $1.00 par value; issued and outstanding 1,000 shares		$ 1 000	
Additional Capital:			
Amount received in excess of par value of stock		9 228	
Retained Earnings:			
Balance, April 30, 1974	$7 940		
Net income for the period (Exhibit "B")	9 024		
Balance, July 31, 1974		16 964	27 192
			$133 564

s Transmittal Letter)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Fixed assets are valued at cost and depreciated over their estimated useful lives by the straight-line or declining balance method. Repairs to existing assets are charged to expense as incurred.

(b) Bad debts are recorded by the direct write-off method.

(c) Investment credit is accounted for by the flow-through method.

NOTE 2 - NOTES PAYABLE:

	Total Amount Due Net of Prepaid Interest	Due Currently	Deferred
(a) United Virginia Bank/State Planters, Hopewell, Virginia:			
(1) A 60-month installment note dated May 29, 1973, bearing 6% add-on interest. Monthly payments of $1,191.67 include both principal and interest. Secured by assignment of a life insurance policy on the corporation's president, assignment of accounts receivable, a lien on all furniture, fixtures, equipment, and supplies, and the endorsement of the corporation's president.	$42 166	$11 000	$31 166
(2) A 24-month installment note dated January, 1974, bearing 6% add-on interest. Monthly payments of $420.00 include both principal and interest. Secured by a lien on a 1970 Mack tractor with a remaining cost of $7,493.	6 730	4 500	2 230
(3) A 36-month installment note dated May, 1974, bearing 5.5% add-on interest. Monthly payments of $345.16 include both principal and interest. Secured by a lien on a 1974 Ford F-700 truck with a remaining cost of $10,410.	9 481	3 555	5 926
(b) Lee Moving and Storage, Inc.:			
A five-year promissory note dated May 1, 1973, bearing interest at 8.0%. Interest is payable semi-annually. Secured by a subordi-			

	Total Amount Due Net of Prepaid Interest	Due Currently	Deferred
nated financing agreement on all corporate assets and is endorsed by the corporation's president.	25 500	500	25 000
	$83 877	$19 555	$64 322

NOTE 3 - INCOME TAXES:

Federal income tax for the three months ended July 31, 1974 is $1,985. However, the corporation has an investment credit carry forward of $2,771 which will serve to directly offset this liability.

NOTE 4 - WRITE-OFF AGENCY AGREEMENTS:

At the date of incorporation, monetary values were assigned to the existing agency agreements held by the predecessor corporation. At July 31, 1974, four of these agreements were written off as Lee Moving, Inc. of Hopewell is no longer an agent for these carriers.

(Unaudited - See Accountant's Transmittal Letter)

EXH. 2

Motorcycles & Motor Scooters –(continued)

YAMAHA MOTORCYCLES

SOMEDAY, YOU'LL
OWN A YAMAHA
• SALES • SERVICE • PARTS

"FOR INFORMATION CALL"
DEALER
COLONIAL HTS
Burcham's Motorcycle Shop
1901 Boulevard C Hgts--526-2300

Motorcycles & Motor Scooters–Supplies & Parts–Retail

Cycle & Head Boutique 9 Wythe St------*861-5490
(See Advertisement This Page)

Motorized Homes

See Campers & Pick-Up Coaches–Dealers, Also Mobile Homes–Dealers

Motors–Gasoline–See Engines–Gasoline

Motors–Outboard–See Outboard Motors

Moving & Household Storage

AERO MAYFLOWER WORLD-WIDE MOVING SERVICE

MOVING IS EASY . . .
THE MAYFLOWER WAY!

"FOR INFORMATION CALL"
AUTHORIZED AGENT
SMITH STORAGE & MOVING CO
No Toll Charge
2602 Deep Water Terminal Rd
Richmond Va ----------748-5584

ALLIED VAN LINES

WORLD'S
NO. 1 MOVER

ALLIED VAN LINES

LOCAL AGENT
CENTRE CARRIERS MOVING & STORAGE
2211 Station Rd Richmond
Chester Tel No 748-2000

AMERICAN RED BALL MOVING SERVICE

CALL
CALL
American RED BALL World Wide Moving

We're doing something about the moving business with a Red Carpet Code of Standards designed to give our customers better moves.

"FOR INFORMATION CALL"
COLONIAL TRANSFER & STORAGE CO INC 1305 Admiral St Richmond-----358-4991

ATLAS VAN LINES

YOUR NEXT MOVE
WILL BE BETTER
BECAUSE . . .
ATLAS LISTENS . . . AND LEARNS AND
PROVIDES THE SERVICE TO PROVE IT!

Atlas Van Lines

"FOR INFORMATION CALL"
Shelburne Transfer & Storage Corp
4920 W Broad Richmond Va--282-4228

Moving & Household Storage –(continued)

BEKINS VAN LINES CO

Specialists in moving household goods long distance. Packing and crating for shipment anywhere. Modern warehouses throughout the country.

BEKINS SINCE 1891

"FOR INFORMATION CALL"
AUTHORIZED AGENT
HOPEWELL
Lee Moving & Storage Inc
Hercules Rd & Plant--458-1837

BROOKS TRANSFER & STORAGE CO INC
1301 N Boulevard Richmond
From Colonial Heights Hopewell & Petersburg telephones only
Ask Operator For----------*Enterprise-501
(No chg on Enterprise calls)
(See Advertisement Page 134)
Centre Carriers Moving & Storage
1945 Puddledock Rd--861-2020

CENTRE CARRIERS MOVING & STORAGE
2211 Station Rd Richmond
Chester Tel No 748-2000
(See Advertisement Following Page)

CHAVIS TRANSFER
2021 Decatur St Richmond----------232-8925
2021 Decatur St Richmond----------232-4543

COLONIAL TRANSFER & STORAGE CO INC
Richmond Va
From Colonial Heights Hopewell & Petersburg Telephones
No Charge To Calling Party
Ask Operator For----------*Enterprise-195

CONSOLIDATED MOVERS
LOCAL RATES FOR RICHMOND
TO TRI-CITY AREA SERVICE
1805 Doron Ln Richmond----------649-9573

Cosby M W Co Inc 10 E Belt Blvd
Richmond Va Chester Tel No--748-2808
(See Advertisement Page 133)
(Continued Next Page)

Good Service is Our Creed

CHOPPERS

CUSTOM
PARTS AND ACCESSORIES
ALL MAKES BIKES
SPECIALIZING IN CUSTOM
HARLEY-DAVIDSON
PARTS
Cycle & Head Boutique
861-5490
9 WYTHE ST.

L. A. SHEFFIELD
TRANSFER & STORAGE INC
LOCALLY OWNED AND OPERATED
Serving The Tri-City Area Since 1931

LOCAL & LONG DISTANCE MOVING
WAREHOUSE FOR HOUSEHOLD STORAGE
ALSO MERCHANDISE STORAGE
MODERN CONTAINERIZED STORAGE
CALL 733-8121
Nights 733-7916
221 BOLLINGBROOK ST.
AGENTS FOR
JFI
JOHN F. IVORY

EXH. 2

WORLD'S NO.1 MOVER

1

ALLIED VAN LINES

Across Town – Across the Country
Around the World

PACKING – CRATING – PALLETIZED STORAGE

CHESTER TEL. NO.

748-2000

We move families

. . . not just furniture

Local & Long Distance

CENTRE CARRIERS CORP.

TWO WAREHOUSE LOCATIONS

RICHMOND
2211 STATION RD.

PETERSBURG
1945 PUDDLEDOCK RD.

Call in The Professionals.

Local and long distance moving and storage. Office and industrial moving. International moving and storage. Packing and crating. We're the world's largest household goods moving and storage company, in business since 1891. But this doesn't cost a nickel extra. No job's too small, either. Call us for a free estimate.

MOVING INC.
OF HOPEWELL

458-1837
LOCAL TO HOPEWELL

HERCULES RD. & PLANT ST.
HOPEWELL, VA.

748-6681
LOCAL TO RICHMOND CHESTER

Moving & Household Storage –(continued)

GLOBAL VAN LINES

OFFICIAL
DISNEYLAND
MOVERS

"FOR INFORMATION CALL"

GLOBAL VAN LINES
Call Collect
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LEE MOVING INC OF HOPEWELL
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(See Advertisement This Page)

MAYFLOWER MOVING SERVICE
2602 Deep Water Terminal Rd
Richmond--748-5584

MAYTON EVERETT TRANSFER & STORAGE
1131 W High--*733-6740
Mayton T W Transfer Co Inc 252 E Bank--732-7711
(See Advertisement Page 134)

NORTH AMERICAN VAN LINES

THE GENTLEMEN
OF THE
MOVING INDUSTRY

COSBY M W CO INC 10 E Belt Blvd
Richmond Va Chester Tel No--748-2808

SECURITY STORAGE DIVISION VICTORY VAN CORPORATION
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(See Advertisement Preceding Page)

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The Yellow Pages are the

index fingers

to the thousands who consult this medium daily to find the products or services they require.

Make it point your way!

LIST EACH BRANCH OF YOUR BUSINESS HERE

Exh. 2

Moving & Household Storage—(continued)

SHELBURNE TRANSFER & STORAGE CORP
4920 W Broad Richmond--282-4228

Smith Storage & Moving Co
2602 Deep Water Terminal Rd
Richmond Va--748-5584
(See Advertisement This Page)

SMYTHGREYHOUND

"THE SMOOTHER MOVER"

Smyth Greyhound

AUTHORIZED AGENT
SMYTHGREYHOUND
3901-C Castlewood Rd Richmond--271-1201

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LOCAL & LONG DISTANCE
PERSONAL SERVICE
NO TOLL CHARGE

Richmond Va Chester No----------748-5330

(Continued Next Page)

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Complete **MOVING • STORAGE • PACKING SERVICE**

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Moves completely pre-planned. Same operator, same locked Air-Ride Van start to finish.

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Exclusive, scientifically designed, strength-tested cartons and crates for every item. Our skilled packers take care of every detail.

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Pre-planning means no business interruption. Trained specialists and equipment to handle everything. No job too large or too small.

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STORAGE – Containerized Modern Warehouse (Int. 95)

Private Sealed "MA-Vault" Containers give you maximum protection.

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Classroom tested by written exam, and on-job training, to wear this Accredited emblem.

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- Handling Sensitive Electronic Equipment
- Convention and Promotional Display Services

748-5584

CHESTER TEL. NO. (NO TOLL)

2602 Deep Water Terminal Rd. Richmond, Va. Est. 1011

SMITH Mayflower

BIRTHDAY?

Why not join the celebration by Long Distance?

Our free "How To Buy A Move" booklet is one good reason to call northAmerican.

Here are some others:

1. The mover who cares about you and your possessions.
2. So you'll know how much you're paying before you move, we cheerfully give you a free pre-move estimate.
3. You don't want loss or pilferage of your goods in transit. So we provide clean, modern containerized storage to keep it safe.
4. Wherever you're moving, one of our more than 1200 worldwide agents will be there to serve you.

And there's more! So before you decide on a mover, send for our booklet and find out all the reasons to call us.

CHESTER TEL. NO.
748-2808

Nights Call
Richmond, Va. 329-6538

M. W. COSBY CO., INC.

P.O. BOX 8976 10 E. BELT BLVD., RICHMOND, VA.

northAmerican VAN LINES/AGENT

Exh. 2

"SINCE 1878"

BROOKS

TRANSFER & STORAGE CO., INC.

LOCAL & LONG DISTANCE MOVING

AGENTS FOR

UNITED VAN LINES

- MOVING
- STORAGE
- PACKING
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"WORLD-WIDE MOVING SERVICE"
FROM COLONIAL HEIGHTS HOPEWELL
& PETERSBURG TELEPHONES ONLY
ASK OPERATOR FOR

ENTERPRISE-501

(NO CHARGE ON ENTERPRISE CALLS)
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LOCAL-LONG DISTANCE

HEAVY HAULING

SERVING PETERSBURG
CONTINUOUSLY
SINCE 1916

"WE MAKE MOVING DAY
A PLEASURE"

"INSTEAD OF A WORRY"

COMMERCIAL HAULING

Operators of Terminal
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TRANSFER CO., INC.

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World famous guitars and
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NIGHTLY-WEEKLY-MONTHLY

GUITARS — AMPS
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PIANOS – ORGANS
LOW REASONABLE RATES

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Lail's Music Center

3213 Boulevard COLONIAL HEIGHTS, VA.

Moving & Household Storage –(continued)

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Operated by T. W. Mayton
STORAGE
Open and Private Rooms for
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Excellent Facilities for
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Mr TV
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MUSIC BY MUZAK—
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3M BACKGROUND MUSIC SYSTEMS

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Abrams Musical Instruments
239 E Broadway--458-5550
(See Advertisement Opposite Page)

ANSWER PROMPTLY

Delay in answering may mean that you miss an important call. The person calling may decide that no one is there and hang up.

THE RICHMOND NEWS LEADER

SATURDAY NOVEMBER 30, 1974 PAGE 5

New Richmond Agent

Lee

MOVING INC.

AGENT FOR

Near:

Parham Rd. & Rt. 1

NEW WAREHOUSE

Modern Containerized Storage
Local and Long Distance

Moving?
CALL

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Richmond
266-7700

HERCULES RD. & PLANT ST.
Hopewell
748-6681

CASE NO. HF-92
EXHIBIT NO. 3
FILED DEC 16 1974
Allen R. Smith
Witness
J R Harrison
Bailiff

New Richmond Agent
Effective Oct. 16, 1974

LEE MOVING, INC.

Mayflower
AGENT

Near:

Parham Rd. & Rt. 1
NEW WAREHOUSE
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Modern Containerized Storage
Local and Long Distance

Moving
CALL

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Hopewell 748-6631

CASE NO. HE-92
EXHIBIT NO. 4
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Allen R. Smith
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