

KRINER, KOERBER AND KIRK
ATTORNEYS-AT-LAW
110 NORTH SECOND STREET
P. O. BOX 1320
CLEARFIELD, PENNSYLVANIA 16830

ORIGINAL

WILLIAM C. KRINER
DWIGHT L. KOERBER, JR.
ALAN F. KIRK

TELEPHONE (814) 765-9611
FAX (814) 765-9503
September 19, 1989

COUNSEL TO THE FIRM
WILLIAM T. DAVIS

RECEIVED

Jerry Rich, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17120

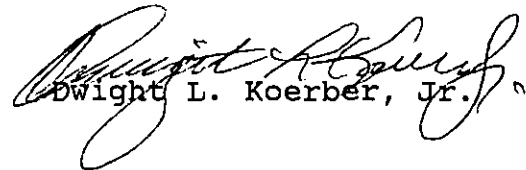
SEP.20 1989
SECRETARY'S OFFICE
Public Utility Commission

RE: KEPHART TRANSPORTATION SERVICES, INC.
Docket No. A-108397

Dear Mr. Rich:

Enclosed please find page three of the "Brokers" Trust Fund Agreement", which was inadvertently not included with your September 19, 1989 packet of materials.

Very truly yours,


Dwight L. Koerber, Jr.

DLK:kam
Enclosure:
Page 3 of Agreement

IN WITNESS WHEREOF, the said Trustor and Trustee have executed this instrument on the 11th day of September, 19 89

TRUSTOR
Kephart Transportation Services, Inc.

TRUSTEE
County National Bank

Name _____
Address Bigler PA
Telephone No. 814-857-7104

Name _____ [SEAL]
Address Clearfield, PA
Telephone No. 814/765-9621

By [Signature] President
(Signature and Title)

By [Signature]
(Signature and Title)

Witness [Signature]

William A. Franson, Sr. V. Pres.

Witness [Signature]

REC'D
SEP 25 1989

Only financial institutions may qualify to act as Trustee. Trustee, by the above signature certifies that it is a financial institution and has legal authority to assume the obligations of Trustee and the financial ability to discharge them.

NOTICE OF CANCELLATION

THIS IS TO ADVISE THAT THE ABOVE BROKER TRUST FUND AGREEMENT EXECUTED ON THE _____ DAY OF _____, 19 _____ IS HEREBY CANCELLED AS SECURITY IN COMPLIANCE WITH THE ICC SECURITY REQUIREMENTS UNDER 49 U.S.C. 10927(b) and 49 C.F.R. 1043.4, EFFECTIVE AS OF THE _____ DAY OF _____, 19 _____, 12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE TRUSTOR, PROVIDED SUCH DATE IS NOT LESS THAN THIRTY (30) DAYS AFTER THE ACTUAL RECEIPT OF THIS NOTICE BY THE COMMISSION.

DATE SIGNED _____

SIGNATURE OF AUTHORIZED REPRESENTATIVE OF TRUSTEE OR TRUSTOR

RECEIVED

SEP 20 1989

SECRETARY'S OFFICE
Public Utility Commission

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SECRETARY'S OFFICE
Public Utility Commission

Jerry Rich, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17120

RE: KEPHART TRANSPORTATION SERVICES, INC.
Docket No. A-108397

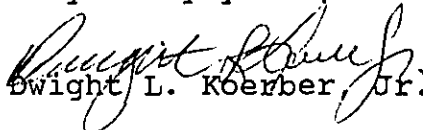
Dear Mr. Rich:

Enclosed herewith is a document entitled "Brokers' Trust Fund Agreement", which has been signed by Kephart Transportation Services, Inc. and County National Bank, of Clearfield, Pennsylvania, so as to establish the financial responsibility of Kephart Transportation Services under the terms of the Compliance Order issued in this case. I had previously reviewed this matter with the staff of the Commission by my letter dated July 7, 1989 and reply from Mr. Bruce A. Bigelow dated August 10, 1989, and based upon the exchange of information, I anticipate that the enclosed document will be sufficient to satisfy the compliance requirements in this case.

If it should develop that additional matters need to be addressed in order to satisfy compliance requirements, I would ask that we be granted an extension of time covering the compliance period, so that this can be accomplished. I believe that an additional thirty days should be sufficient, but I would request an extension of time only if further refinement is needed on the enclosed document.

Thank you for your attention to this matter.

Very truly yours,


Dwight L. Koerber, Jr.

cc: Kephart Transportation Services, Inc.
Enclosure: Form
DLK/jsr

B.M.C. 85
(Rev. _____)

Approved by OMB

Expires / /

License No.

MR- A-108397

BROKER'S TRUST FUND AGREEMENT UNDER 49 U.S.C. 10927 SEP.
OR NOTICE OF CANCELLATION OF THE AGREEMENT

(EXECUTED IN DUPLICATE)

KNOW ALL MEN BY THESE PRESENTS, That we Kephart Transportation Services, Inc., of Bigler, PA as (City) (State) Broker) TRUSTOR (hereinafter called Trustor), and County National Bank (Name of Trustee)

_____, a financial institution created and existing under the laws of PA as TRUSTEE (State or District of Columbia)

(hereinafter called Trustee) hold and firmly bind ourselves and our heirs, executors, administrators, successors, and assigns, jointly and severally firmly these presents.

WHEREAS, the Trustor is or intends to become a Broker pursuant to the provisions of the Interstate Commerce Act, and the rules and regulations of the Interstate Commerce Commission relating to insurance or other security for the protection of motor carriers and shippers, and has elected to file with the Interstate Commerce Commission such a Trust Fund Agreement as will ensure financial responsibility and the supplying of transportation subject to said Act in accordance with contracts, agreements, or arrangements therefore, and

WHEREAS, this Trust Fund Agreement is written to assure compliance by the Trustor as a licensed Property Broker of Transportation by motor vehicle with 49 U.S.C. 10927(b), and the rules and regulations of the Interstate Commerce Commission, relating to insurance or other security for the protection of motor carriers and shippers, and shall inure to the benefit of any and all motor carriers or shippers to whom the Trustor may be legally liable for any of the damages herein described.

NOW, THEREFORE, the trustor and trustee, to accomplish the above, agree as follows:

1. Trustee agrees that payments made pursuant to the security provided herein to shippers and motor carriers pursuant to this Agreement will be made exclusively and directly to shippers or motor carriers that are parties to contracts, agreements or arrangements with Trustor.

2. Trustee agrees that the protection afforded to shippers and motor carriers hereby will continue until any and all claims made by shippers or motor carriers for which Trustor may be legally liable have been settled or until the funds deposited by Trustor pursuant to this Agreement have been exhausted, whichever comes first.*

3. The parties hereto acknowledge and certify that said Trustee shall exclusively manage the security and trust fund, as herein set forth, and shall have legal title to the security and trust fund, pursuant to the terms and conditions as set forth in this agreement. Further, the parties hereto, and the said Trustee, as evidenced by their signatures to this agreement, acknowledge and certify that (a) said Trustee, neither has nor expects to have any interest, financial, proprietary, or otherwise, whatsoever, in Trustor; and (b) said Trustor, neither has nor expects to have any interest, financial, proprietary, or otherwise, whatsoever, in Trustee.

* This Trust Fund Agreement shall provide for a minimum 12-month period following the date of cancellation during which shippers or motor carriers can make claims and the trustee shall be required to make payment of such claims for which the broker may be legally liable.

4. Trustee acknowledges the receipt of the sum of Ten Thousand Dollars (\$10,000.00), to be held in trust under the terms and conditions set forth herein.

5. Trustee may, within its sole discretion, invest the funds comprising the corpus of this trust fund consistent with its fiduciary obligation under applicable law.

6. Trustee shall pay, up to a limit of Ten Thousand Dollars (\$10,000.00), directly to a shipper or motor carrier any sum or sums which Trustee, in good faith, determines that the Trustor has failed to pay and would be held legally liable by reason of Trustor's failure to perform faithfully its contracts, agreements, or arrangements for transportation by authorized motor carriers, made by Trustor while this agreement is in effect, regardless of the financial responsibility or lack thereof, or the solvency or bankruptcy, of Trustor.

7. In the event that the trust fund is drawn upon and the corpus of the trust fund is a sum less than Ten Thousand Dollars (\$10,000.00), Trustor shall, within thirty (30) days, replenish the trust fund up to Ten Thousand Dollars (\$10,000.00) by paying to the Trustee a sum equal to the difference between the existing corpus of the trust fund and Ten Thousand Dollars (\$10,000.00).

8. Trustee shall immediately give written notice to the ICC of all lawsuits filed, judgments rendered, and payments made under this trust agreement and of any failure by Trustor to replenish the trust fund as required herein.

9. This agreement may be cancelled at any time upon thirty (30) days written notice by the Trustee or Trustor to the ICC on the form printed at the bottom of this agreement. The thirty (30) day notice period shall commence upon actual receipt of a copy of the trust fund agreement with the completed notice of cancellation at the ICC's Washington, D.C. office. The Trustee and/or Trustor specifically agrees to file such written notice of cancellation.

10. All sums due the Trustee as a result, directly or indirectly, of the administration of the trust fund under this agreement shall be billed directly to Trustor and in no event shall said sums be paid from the corpus of the trust fund herein established.

11. Trustee shall maintain a record of all financial transactions concerning the Fund, which will be available to Trustor upon request and reasonable notice and to the Commission upon request.

12. This agreement shall be governed by the laws in the State of PA, to the extent not inconsistent with the rules and regulations of the ICC.

This trust fund agreement is effective the 5th day of September, 1989, 12:01 a.m., standard time at the address of the Trustor as stated herein and shall continue in force until terminated as herein provided.

Trustee shall not be liable for payments of any of the damages hereinbefore described which arise as the result of any contracts, agreements, undertakings, or arrangements made by the Trustor for the supplying of transportation after the cancellation of this Agreement, as herein provided, but such cancellation shall not affect the liability of the trustee for the payment of any such damages arising as the result of contracts, agreements, or arrangements made by the Trustor for the supplying of transportation prior to the date such cancellation becomes effective.

ORIG
KRINER, KOERBER AND KIRK
ATTORNEYS-AT-LAW
110 NORTH SECOND STREET
P. O. BOX 1320
CLEARFIELD, PENNSYLVANIA 16830

TELEPHONE (814) 765-9611
FAX (814) 765-9503

COUNSEL TO THE FIRM
WILLIAM T. DAVIS

WILLIAM C. KRINER
DWIGHT L. KOERBER, JR.
ALAN F. KIRK

October 2, 1989

RECEIVED

OCT 16 1989

SECRETARY'S OFFICE
Public Utility Commission

Jerry Rich, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17120

Re: A-108397
Kephart Transportation Services, Inc.

Dear Mr. Rich:

I am enclosing herewith the duly executed Broker's Trust Fund Agreement under 52 Pa. Code 39.15, as filed on behalf of Kephart Transportation Services, Inc. If anything further is required on this matter, please be in touch with me.

Very truly yours,


Dwight L. Koerber, Jr.

DLK:sml

cc: Kephart Transportation Services, Inc.

RECEIVED

BROKER'S TRUST FUND AGREEMENT UNDER
52 PA CODE 39.15

OCT 16 1989

KNOW ALL MEN BY THESE PRESENTS, that we, Kephart
Transportation Services, Inc., of Bigler, Pennsylvania, as
TRUSTOR (hereinafter called Trustor), and County National Bank,
a financial institution created and existing under the laws of
Pennsylvania as Trustee (hereinafter called Trustee) hold and
firmly bind ourselves and our heirs, executors, administrators,
successors, and assigns jointly and severally these presents.

SECRETARY'S OFFICE
Public Utility Commission

WHEREAS, the Trustor is or intends to become a Broker
pursuant to the provisions of the Pennsylvania Public Utility
Code, and the rules and regulations of the Pennsylvania Public
Utility Commission relating to insurance or other security for
the protection of motor carriers and shippers, and has elected
to file with the Pennsylvania Public Utility Commission such a
Trust Fund Agreement as will ensure financial responsibility and
the supplying of transportation subject to said Act in
accordance with contracts, agreements, or arrangements
therefore, and

WHEREAS, this Trust Fund Agreement is written to assure
compliance by the Trustor as a licensed Property Broker of
Transportation by motor vehicle with Public Utility Code 66 Pa.,
C.S. 1 et seq., and the rules and regulations of the
Pennsylvania Public Utility Commission, relating to insurance or
other security for benefit of any and all motor carriers or
shippers to whom the Trustor may be legally liable for any of
the damages herein described.

NOW THEREFORE, the Trustor and Trustee, to accomplish the above agree as follows:

1. Trustee agrees that payments made pursuant to the security provided herein to shippers and motor carriers pursuant to the Agreement will be made exclusively and directly to shippers or motor carriers that are parties to contracts, agreements, or arrangements with Trustor.

2. Trustee agrees that the protection afforded to shippers and motor carriers hereby will continue until any and all claims made by shippers or motor carriers for which Trustor may be legally liable have been settled or until the funds deposited by Trustor pursuant to this Agreement have been exhausted, whichever comes first, provided that there is a minimum 12-month period following the date of cancellation during which shippers or motor carriers may make claims and the Trustee shall be required to make payment of such claims for which the broker may be legally liable.

3. The parties hereto acknowledge and certify that said Trustee shall exclusively manage the security and trust fund, as herein set forth, and shall have legal title to the security and trust fund, pursuant to the terms and conditions as set forth in this Agreement. Further, the parties hereto, and the said Trustee, as evidenced by their signatures to this agreement, acknowledged and certify that (a) said Trustee, neither has nor expects to have any interest, financial, proprietary, or otherwise, whatsoever, in Trustor; and (b) said Trustor, neither

has nor expects to have any interest, financial, proprietary, or otherwise, whatsoever, in Trustee.

4. Trustee acknowledges the receipt of the sum of Ten Thousand Dollars (\$10,000.00), to be held in trust under the terms and conditions set forth herein.

5. Trustee may, within its sole discretion, invest the funds comprising the corpus of this trust fund consistent with its fiduciary obligation under applicable law.

6. Trustee shall pay, up to a limit of Ten Thousand Dollars (\$10,000.00), directly to a shipper or motor carrier any sum or sums which Trustee, in good faith, determines that the Trustor has failed to pay and would be held legally liable by reason of Trustor's failure to perform faithfully its contracts, agreements, or arrangements for transportation by authorized motor carriers, made by Trustor while this Agreement is in effect, regardless of the financial responsibility or lack thereof, or the solvency or bankruptcy, of Trustor.

7. In the event that the trust fund is drawn upon and the corpus of the trust fund is a sum less than Ten Thousand Dollars (\$10,000.00), Trustors shall, within thirty (30) days, replenish the trust fund up to Ten Thousand Dollars (\$10,000.00) by paying to the Trustee a sum equal to the difference between the existing corpus of the trust fund and Ten Thousand Dollars (\$10,000.00)

8. Trustee shall immediately give written notice to the Pennsylvania Public Utility Commission of all lawsuits filed,

judgments rendered, and payments made under this Trust Agreement and of any failure by Trustor to replenish the trust fund as required herein.

9. This Agreement may be cancelled at any time upon thirty (30) days written notice by the Trustee or Trustor to the Pennsylvania Public Utility Commission on the form printed at the bottom of this Agreement. The thirty (30) day notice period shall commence upon actual receipt of a copy of the Trust Fund Agreement with the completed notice of cancellation at the Pennsylvania Public Utility Commission's Harrisburg, PA office. The Trustee and/or Trustor specifically agrees to file such written notice of cancellation.

10. All sums due the Trustee as a result, directly or indirectly, of the administration of the trust fund under this Agreement shall be billed directly to Trustor and in no event shall said sums be paid from the corpus of the trust fund herein established.

11. Trustee shall maintain a record of all financial transactions concerning the Fund, which will be available to Trustor upon request and reasonable notice and to the Commission upon request.

12. This Agreement shall be governed by the laws in the Commonwealth Pennsylvania, to the extent not inconsistent with the rules and regulations of the Pennsylvania Public Utility Commission.

13. This Agreement corresponds with the Broker's Trust Fund Agreement which the parties filed with the Interstate

Commerce Commission covering Trustor's duties under the Interstate Commerce Act and the rules and regulations of the Interstate Commerce Commission.

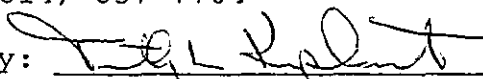
This Trust Fund Agreement is effective the 1st day of October, 1989, 12:01 a.m., standard time at the address of the Trustor as stated herein and shall continue in force until terminated as herein provided.

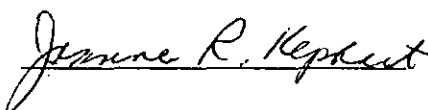
Trustee shall not be liable for payments of any of the damages hereinbefore described which arise as the result of any contracts, agreements, undertakings, or arrangements made by the Trustor for the supplying of transportation after the cancellation of this Agreement, as herein provided, but such cancellation shall not affect the liability of the Trustee for the payment of any such damages arising as the result of contracts, agreements, or arrangements made by the Trustor for the supplying of transportation prior to the date such cancellation becomes effective.

IN WITNESS WHEREOF, the said Trustor and Trustee have executed this instrument on the 28th day of September, 1989.

TRUSTOR:


KEPHART TRANSPORTATION
SERVICE INC.
P. O. Box 386
Bigler, PA 16825
(814) 857-7704


By: 
Timothy L. Kephart
President

WITNESS: 

TRUSTEE:

COUNTY NATIONAL BANK
P. O. Box 42 (Corporate Seal)
Clearfield, PA 16830
(814) 765-9621

By: 
William A. Franson
Senior Vice President

WITNESS: 

NOTICE OF CANCELLATION

This is to advise that the above Broker Trust Fund Agreement executed on the _____ day of _____, 19____, is hereby cancelled as security in compliance with the regulations of the Pennsylvania Public Utility Commission, under 52 Pa. Code Sec. 39.15, effective as of the _____ day of _____, 19____, 12:01 a.m. standard time at the address of Trustor, provided that such date is not less than thirty (30) days after the actual receipt of this notice by the Pennsylvania Public Utility Commission.

_____ Date Signed

Signature of Authorized
Representative of Trustee or
Trustor