

THE LAW FIRM OF

MALATESTA HAWKE & McKEON

JOSEPH J. MALATESTA, JR.  
WILLIAM T. HAWKE  
KEVIN J. McKEON  
LOUISE A. KNIGHT  
THOMAS J. SNISCAK  
THOMAS P. BROGAN  
TERRANCE J. FITZPATRICK  
LILLIAN SMITH HARRIS  
JANET L. MILLER  
SUSAN J. SMITH  
SCOTT T. WYLAND

HARRISBURG ENERGY CENTER  
100 NORTH TENTH STREET  
HARRISBURG, PENNSYLVANIA 17101  
(717) 236-1300  
FAX (717) 236-4841

MAILING ADDRESS:  
P.O. BOX 1778  
HARRISBURG, PA 17105

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PA. P. U. C.  
INFO. CONTROL DIV.

February 4, 1994

John G. Alford, Secretary  
Pennsylvania Public Utility Commission  
Room B-18, North Office Building  
PO Box 3265  
Harrisburg, PA 17105-3265

RE: Application of Empire Wrecking Co. of Reading, PA;  
Docket No. A-00108448 F.1, Am-C; **VERIFIED STATEMENT**

Dear Secretary Alford:

Enclosed for filing with the Commission are the signed original and two (2) copies of the Applicant's Verified Statement. Although the Verified Statement of E. J. Breneman, Inc. ("Shipper") accompanied the application, I have enclosed another copy of the Shipper's Verified Statement for your convenience.

Of course, should you have any questions with regard to this matter, please feel free to give me a call.

Very truly yours,

*Thomas P. Brogan*  
Thomas P. Brogan

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PA. P. U. C.  
BUREAU OF  
UTILIZATION

TPB/dlc  
Enclosures  
cc: Harry J. O'Neill, III, President

DOCUMENT  
FOLDER

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Empire Wrecking : Docket No. A-00108448, F.1,  
Co. of Reading, PA : Am-C

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APPLICANT'S VERIFIED STATEMENT

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A. HISTORY OF PROCEEDING

By application filed with the Pennsylvania Public Utility Commission ("Commission") on November 9, 1993 and noticed in the Pennsylvania Bulletin of December 4, 1993, Empire Wrecking Co. of Reading, PA ("Empire Wrecking") seeks authority to operate as a contract carrier as follows:

To transport as a contract carrier, road and highway construction equipment for E. J. Breneman, Inc. between points in Pennsylvania.

No protest was filed to this application and it was assigned to the Bureau of Transportation for disposition. Empire Wrecking hereby submits its Verified Statement in support of this application.

DOCUMENT  
FOLDER

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DOCKETED  
APPLICATION DOCKET  
FEB -4 1994  
ENTRY No. *[Signature]*

**B. VERIFIED STATEMENT OF APPLICANT**

**1. Legal Name and Domicile of Applicant:**

This statement is submitted on behalf of Empire Wrecking Co. of Reading, PA, a Pennsylvania corporation, with its principal place of business located at 1420 Clarion Street, Reading, PA 19610.

**2. Identity and Qualification of Testifying Witness:**

My name is Harry J. O'Neill, III and my business address is 1420 Clarion Street, Reading, PA 19610. I am president of Empire Wrecking. I am involved in the supervision and management, on a day-to-day basis, of the operations of Empire Wrecking. I have spent over 25 years in the trucking business. As president of Empire Wrecking, I am actively involved in its day-to-day activities, including sales, operations and administrative matters. I am very familiar with Empire Wrecking's operation, facilities and authority. I am familiar with E. J. Breneman, Inc.'s ("Shipper") requirements. I am authorized on behalf of Empire Wrecking to submit this Verified Statement to the Commission in support of the application of Empire Wrecking at Docket No. A-00108448 F.1, Am-C.

**3. Affiliation with Other Carriers:**

Empire Wrecking is affiliated with Delaware Valley Contractors, Inc. ("Delaware Valley") which holds authority granted by this Commission at Docket No. A-00110333. Empire Wrecking and Delaware Valley are both subsidiaries of O'Neill Financial, Inc. A copy of the Commission's Order at Docket No. A-00110333 entered October 22, 1992, granting authority to Delaware Valley is attached to this Verified Statement as **Appendix No. 1.**

**4. Authority Sought:**

The contract carrier authority sought by Empire Wrecking is to transport road and highway construction equipment for E. J. Breneman, Inc. between points in Pennsylvania.

**5. General Scope of Presently Authorized Operations:**

Empire Wrecking presently has contract carrier authority as evidenced by Orders of the Commission (a) entered May 24, 1990, at Docket No. A-00108448; (b) entered November 23, 1993 at Docket No. A-00108448 F.1, Am-A; and (c) entered November 23, 1993 at Docket No. A-00108448 F.1, Am-B. The authorities evidenced by the Commission's Orders respectively are as follows:

(a) Docket No. A-00108448

To transport, as a contract carrier, property which because of its size or weight, requires the use of special equipment:

- i. For the account of Simon Eastern Corporation between points in the counties of Berks, Bucks, Chester, Lancaster, Lebanon, Lehigh, Montgomery and Schuylkill; and
- ii. For the account of Giles and Ransom, Inc. from its facilities at City of Allentown, Township of Bensalem and Borough of Fleetwood, to points in the counties of Berk, Chester, Delaware, Lehigh, Montgomery, Northampton and Philadelphia.

(b) Docket No. A-00108448 F.1, Am-A

To transport, as a contract carrier by motor vehicle, cranes, crane parts, concrete pumps, and concrete pump parts, for Dickinson Crane & Concrete Pump Services, between points in Pennsylvania.

(c) Docket No. A-00108448 F.1, Am-B

To transport, as a contract carrier by motor vehicle, carbon for M.G.P., Inc., from its facilities in the Borough of Womelsdorf, Berks County, to points in the Borough of St. Marys, Elk County, with the right to return refused, rejected or damaged shipments to the point of origin.

A copy of the Commission's Order entered May 24, 1990 at Docket No. A-00108448 is attached to the Verified Statement as **Appendix No. 2.** Copies of the Commission's Orders entered November 23, 1993 at Docket Nos. A-00108448 F.1, Am-A and Am-B are attached to the Verified Statement as **Appendix Nos. 3 and 4,** respectively.

**6. Duplicating Authority Which Will Result From Grant of Application:**

There will be no duplication of authority resulting from the grant of authority sought in this application.

**7. Dual Operations Resulting From Grant of Authority:**

Empire Wrecking holds contract carrier authority from this Commission and this application does not involve any request for dual operating authority.

**8. Pertinent Terminal Facilities and Communication Network:**

Empire Wrecking's facilities are located on a five (5) acre tract of land in Reading, Pa. Those facilities include a 5,000 square foot shop building, 20,000 square feet of storage facilities and an office facility of approximately 5,000 square feet. The facilities are located convenient to highway access. Empire Wrecking maintains a modern communication system. It operates under a central dispatch procedure by which all drivers and equipment are controlled from Empire Wrecking's Reading facility. Empire Wrecking also uses facsimile equipment providing instantaneous communication where prompt confirmation of shipping instructions is a necessity. Empire Wrecking's communication facilities allow easy and inexpensive contact between the Shipper and Empire Wrecking to place requests for service, inquiries as to the location of a shipment or any additional information about service.

Empire Wrecking employs 22 full time drivers and 15 office personnel. Additionally, Empire Wrecking employs approximately 45 laborers, 10 heavy trucks and heavy equipment mechanics, and approximately 65 heavy equipment operators.

**9. Pertinent Equipment:**

Empire Wrecking operates a fleet of eleven (11) tractors and ✓  
twenty-six (26) trailers consisting of four (4) lowboys, ✓  
seventeen ✓  
(17) trailers, and five (5) flatbed trailers. All of Empire ✓  
Wrecking's equipment is in excellent condition. Empire Wrecking is ✓  
financially capable of purchasing or leasing whatever additional  
equipment may be necessary to provide service to the Shipper.

**10. Safety Program:**

Empire Wrecking maintains a safety program that includes ✓  
safety meetings and a compliance program for employees in ✓  
accordance with applicable state and federal safety regulations. ✓  
Empire Wrecking maintains public liability insurance coverage and  
provides proof of coverage in the amounts required by the  
Commission. Empire Wrecking has experienced drivers and mechanics  
in its employ. A copy of Empire Wrecking's safety program is  
attached to the Verified Statement as **Appendix No. 5.**

**11. Service Provided to Supporting Shipper:**

Empire Wrecking presently does not provide interstate or ✓  
intrastate service to the Shipper.

**12. Type of Service to be Offered**

Empire Wrecking's purpose in filing this application, in response to requests by the Shipper, is to provide immediate service on a timely basis to move road and highway construction equipment between points in Pennsylvania. Empire Wrecking will provide service 7 days a week, 24 hours a day, if requested. Empire Wrecking will provide scheduled pick-up and delivery of service, as well as expedited, unscheduled service, if requested.

**13. Financial Data:**

Empire Wrecking is a wholly-owned subsidiary of O'Neill Financial, Inc. The consolidated financial statement of O'Neill Financial, Inc. includes the necessary financial data of its wholly owned subsidiary Empire Wrecking, the Applicant in this proceeding. A copy of O'Neill Financial, Inc.'s consolidated financial report for the twelve-month period ending October 31, 1992, the latest available financial report, is attached to this Verified Statement as Appendix No. 6.

**14. Empty Miles or Backhaul:**

Empire Wrecking is confident that it will be able to coordinate the involved shipments with shipments made under existing Commission authority and reduce empty miles and create backhauls.

15. Additional Pertinent Information:

The supporting Shipper has requested Empire Wrecking to file this application so as to enable Empire Wrecking to provide a needed service to the Shipper.



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Harry J. O'Neill, III, President  
Empire Wrecking Co. of Reading, PA

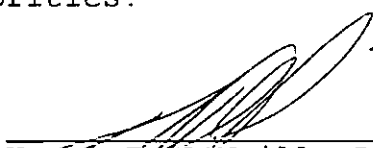
DATED: January 25, 1994

**AFFIDAVIT**

Docket No. A-001088448 F.1, Am-C

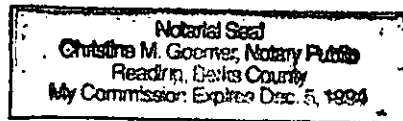
The undersigned, Harry J. O'Neill, President, Empire Wrecking Co. of Reading, PA, deposes and says that he is the person who signed the Verified Statement for the above-captioned application and that he is authorized to and does make this verification on behalf of Empire Wrecking Co. of Reading, PA in that the facts set forth therein are true and correct to the best of his knowledge, information and belief.

The undersigned understand that false statements herein are made subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsification to authorities.

  
\_\_\_\_\_  
Harry J. O'Neill, President  
Empire Wrecking Co. of Reading, PA

DATED:

Subscribed and sworn to before me, a Notary Public and before the County of Berks, Commonwealth of Pennsylvania this 28 day of January, 1994.



Christine M. Goerner  
Notary Public

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3263

Public Meeting held October 15, 1992

Commissioners Present:

David W. Rolka, Chairman  
Joseph Rhodes, Jr., Vice-Chairman  
Wendell F. Holland, Commissioner

Application of Delaware Valley Contractors, Inc., a corporation of the Commonwealth of Pennsylvania, for the transfer of all of the operating rights of Nothstein Bros., Inc., a corporation of the State of Delaware, under the certificate issued at A-00085368, F. 1 and F. 2, subject to the same limitations and conditions.

A-00110333

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Thomas P. Brogan for the applicant.

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O R D E R

BY THE COMMISSION:

This matter comes before the Commission on an application filed July 2, 1992. Public notice of the application was given in the Pennsylvania Bulletin of August 15, 1992. The unopposed application is certified to the Commission for its decision without oral hearing.

Delaware Valley Contractors, Inc., seeks to initiate common carrier service in Pennsylvania by acquiring all of the operating rights of Nothstein Bros., Inc. Delaware Valley Contractors, Inc., is a Pennsylvania corporation domiciled at Reading, Berks County. It currently operates as an excavator and contractor and has experience in the safe operation of over the road motor vehicle equipment. It has a fleet of vehicles suitable to provide transportation under the rights to transfer. It maintains a fleet of 60 radio dispatched trucks including single-axle, 10-wheelers, tri-axle and tractor trailers. In the operation of the excavating and contracting business, a comprehensive safety program is in place.

All of the stock of Delaware Valley Contractors, Inc., is owned by O'Neill Financial, Inc. The officers of the applicant are Harry J.

O'Neill, III, its president, Todd M. O'Neill, its vice president and secretary and Wayne S. Frost, its treasurer. The applicant's financial capacity is evidenced by submission of a consolidated balance sheet dated October 31, 1991 reporting total assets of \$6,800,755 with total liabilities of \$4,021,900.

The total consideration for the rights is \$150,000. No tangible assets are involved. The sales agreement requires the consideration to be paid as follows: the total purchase price of \$150,000 has been placed in escrow with the amount to be released at closing which is to occur within 15 days of issuance of the order approving the transfer application.

We are modifying the first right to transfer to the applicant to update that authorities language to current useage and avoid any possible confusion regarding the phrase "as usually transported in dump trucks".

The first right to transfer authorizes the transportation of cement blocks and building construction materials, such as are usually transported in dump trucks, (emphasis added) between points not to exceed a distance of twenty-five (25) miles from point of origin to point of destination in the counties of Lehigh, Northampton, Berks and Schuylkill.

A review of the record in the 1935 renewal of the certificate of public convenience issued to Ray Nothstein, original authority holder, who subsequently transferred the authority to the partnership trading as Nothstein and Sons, which subsequently transferred the authority to Nothstein Bros., Inc., reveals that Ray Nothstein operated a single 1934 InternacionaI dump truck. This single truck was used for the transportation of cement block and building construction materials. It is apparent the original intent of this initial authority was transportation using a dump truck. The use of the phrase, "as usually transported in dump trucks", adds an element of ambiguity to this authority which can be eliminated by deleting "as usually transported". This change is justified by the record and is in conformance with the original intention of the right. The language, "such as are usually transported in dump trucks", will be modified so that the right will now simply read in dump trucks.

A review of the record before us indicates that the applicant possesses the requisite experience, equipment and financial capacity to provide the proposed service.

The authority to be transferred has been operated by the transferor, therefore, it is presumed that there is a continuing public need, which may be overcome only by evidence to the contrary. In re: Everly, 440 Pa. 521 (1970); Hostetter v. Pa. P.U.C., 160 Super. Ct. 94 (1947). Since the record is void of any such evidence, this presumption of continuing public need applies in this transfer proceeding.

We find:

1. The applicant is fit, willing and able to provide the service proposed.

2. Transfer of the authority is in the public interest and is necessary for the continued accommodation and convenience of the public; THEREFORE,

IT IS ORDERED: That the transfer application be and is hereby approved and that a certificate be issued granting the following rights:

1. To transport, as a Class D carrier, cement blocks and building construction materials, in dump trucks, between points not to exceed a distance of twenty-five (25) miles from point of origin to point of destination in the counties of Lehigh, Northampton, Berks and Schuylkill.
2. To transport, as a Class D carrier, potatoes for Isadore Asabell from farms in Lehigh, Northampton, Berks, Bucks and Montgomery Counties to markets in the city of Philadelphia, provided that no right, power or privilege is granted to transport property on return trips from Philadelphia.
3. To transport, as a Class D carrier, lawfully mines and lawfully prepared coal from stripping operations, slush banks and culm banks in the county of Schuylkill to points in the said county excluding transportation to coal yards or dealers, provided no haul shall exceed a distance of twenty-five (25) miles from point of origin to point of destination.
4. To transport, as a Class D carrier, ground, sand, stone, slag, cinders, cement blocks, black top, gravel and spar, in bulk (not in containers) in dump trucks, between points in the counties of Schuylkill, Montgomery, Bucks, Berks, Carbon, Monroe, Lehigh, Northampton and Lebanon.
5. To transport, as a Class D carrier, sand and stone, in dump trucks and dump trailers, from the village of Little Gap, Carbon County, to points within an airline distance of one hundred sixty-five (165) miles of the limits of the township of Upper Macungie, Lehigh County.

6. To transport, as a Class D carrier, slag, in dump trucks and dump trailers, from the boroughs of Birdsboro, Berks County, and Glendon, Northampton County, and the village of Hokendauqua, Lehigh County, to points within an airline distance of one hundred sixty-five (165) miles of the limits of the township of Upper Macungie, Lehigh County.
7. To transport, as a Class D carrier, stone, in dump trucks and dump trailers, from points in the county of Lancaster to points in the counties of Lebanon, Lancaster, York, Berks, Chester and Delaware.
8. To transport, as a Class D carrier, stone, in dump trucks and dump trailers, from points in the county of Lebanon to points in the counties of Lancaster, York, Chester and Delaware.
9. To transport, as a Class D carrier, slag in dump trucks and dump trailers, from points in Pennsylvania to the plant of the Celotex Corporation in the village of Harding, Luzerne County.
10. To transport, as a Class D carrier, slag, stone, clinker, cinders and ash from points in the counties of Lehigh and Northampton to points within an airline distance of one hundred sixty-five (165) miles of the limits of the township of Upper Macungie, Lehigh County, and from points within an airline distance of one hundred sixty-five (165) miles of the limits of the township of Upper Macungie, Lehigh County, to points in the counties of Lehigh and Northampton;

Rights 9 and 10 subject to the following conditions:

That no right, power or privilege is granted to transport commodities in bulk in tank vehicles or in hopper-type vehicles.

That no right, power or privilege is granted to transport slag from the counties of Lebanon and Dauphin, except to the plant of the Celotex Corporation, in the village of Harding, Luzerne County, and except as presently authorized.

That no right, power or privilege is granted to transport slag to the borough of Steelton, Dauphin County, and the city of Lebanon and the township of Mill Creek, Lebanon County,

except from the plant of the Bethlehem Steel Company in the city of Bethlehem, Northampton and Lehigh Counties, and except as presently authorized.

11. To transport, as a Class D carrier, stone, in dump trucks and dump trailers, from points in Pennsylvania (excluding the counties of Montgomery, Adams, Clinton, Lycoming, Montour and York) to the plant of the Celotex Corporation in the village of Harding, Exeter Township, Luzerne County.
12. To transport, as a Class D carrier, stone, in dump trucks and dump trailers, from the plants of Eastern Industries, Inc., located in the township of Maxatawny and the township of Oley, Berks County, to points in the township of Upper Macungie, Lehigh County, and within an airline distance of one hundred sixty-five (165) statute miles of the limits of the said township, and the return of refused or rejected shipments;

Right 12 subject to the following condition:

That no right, power or privilege is granted to render service to points in the counties of Delaware, Chester and Philadelphia.

13. To transport, as a Class D carrier, sand and stone, in dump trucks and dump trailers, from the plant of Berks Silica Sand Company in the township of Alsace, Berks County, to points in the township of Upper Macungie, Lehigh County, and within an airline distance of one hundred sixty-five (165) statute miles of the limits of the said township; and the return of refused and rejected shipments;

Right 13 subject to the following condition:

That no right, power or privilege is granted to render service to points in the counties of Delaware, Chester, Philadelphia, Bucks and Montgomery, except as presently authorized.

14. To transport, as a Class D carrier, silica flour from the plant of the Berks Silica Sand Company in the township of Alsace, Berks County, to points in the township of Upper

Macungie, Lehigh County, and within an air-line distance of one hundred sixty-five (165) statute miles of the limits of the said township, and the return of refused and rejected shipments to the point of origin.

15. To transport, as a Class D carrier, coal, in dump trucks and dump trailers, between the plants of Coplay Cement Manufacturing Company in the counties of Lehigh and Northampton.
16. To transport, as a Class D carrier, property, for Rhodes Coal Co., between points in Pennsylvania;

Right 16 subject to the following conditions:

That no right, power or privilege is granted to transport coal between points in the counties of Cambria, Indiana, Somerset and Westmoreland.

That no right, power or privilege is granted to transport petroleum products, in bulk in tank vehicles.

17. To transport, as a Class D carrier, sand and crushed stone, in bulk in dump trucks (not in containers), for Martin Limestone, Inc., from its facilities located in Earl Township, Lancaster County, to the facilities of United States Steel Corporation located in Bucks County.
18. To transport, as a Class D carrier, sand and crushed stone, in dump trucks (not containers), for Valley Forge Stone, from its facilities in the township of Honeybrook, Chester County, to the facilities of United States Steel Corporation, in the county of Bucks, Lehigh Valley Block in the county of Lehigh, and points in the counties of Chester, Delaware and Lancaster.

subject to the following general conditions:

1. That the approval hereby given is not to be understood as committing the Commission, in any proceedings that may be brought before it for any purpose, to fix a valuation on the property and rights to be acquired by applicant from the present certificate holder equal to the consideration to be paid therefor, or equal to any value that may be placed thereon by

applicant, or to approve or prescribe rates sufficient to yield a return thereon.

2. That applicant shall not record in its utility accounts any amount representing the rights herein granted in excess of the actual cost of such rights to the original holder thereof.
3. That the applicant charge to Account 1550, Other Intangible Property, \$150,000, being the amount of the consideration payable by it for the rights and going concern value attributable thereto; less any amount recorded under condition 2 above; and subject to further adjustment due to any normal interim transactions to the date of actual transfer.
4. That the accounts of the transferee shall reflect the same book values as the records of the transferor at the effective date of the transfer, any previously recorded appreciation having been deleted therefrom; provided that the applicant shall not record in its utility accounts any amounts representing the rights herein granted in excess of the actual cost of such rights to the original holder thereof.
5. That the operating authority granted herein, or now held or subsequently granted to the applicant to the extent that it is duplicative shall not be construed as conferring more than one operating right.
6. That the certificate holder shall not transfer, sell or in any way convey any of its outstanding capital stock to any individual, partnership, corporation or any entity, without the prior filing of an application and approval thereof by the Commission under 66 PA C.S.A. §1102(a)(3).

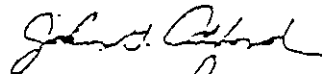
IT IS FURTHER ORDERED: That the applicant shall not engage in any transportation granted herein until it has complied with the requirements of the Pennsylvania Public Utility Code and the rules and regulations of this Commission relative to the filing and acceptance of evidence of insurance and a tariff establishing just and reasonable rates.

IT IS FURTHER ORDERED: That upon compliance with the requirements above set forth, a certificate issue evidencing the Commission's approval of the right to operate as above-determined.

IT IS FURTHER ORDERED: That in the event said applicant has not, on or before sixty (60) days from the date of the service of this order, complied with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings.

IT IS FURTHER ORDERED: That upon compliance with this order, the rights granted the transferor, Nochtstein Bros., Inc., a corporation of the State of Delaware, at A-00085368, F. 1 and F. 2 be cancelled and the record be marked closed.

BY THE COMMISSION,



John G. Alford  
Secretary

(SEAL)

ORDER ADOPTED: October 15, 1992

ORDER ENTERED: OCT 22 1992



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, HARRISBURG, PA 17120

October 30, 1991

IN REPLY PLEASE  
REFER TO OUR FILE

A. 00108448

KENNETH E. SANDS, JR ESQUIRE  
528 ELM STREET  
READING PA 19601

Application of EMPIRE WRECKING COMPANY OF READING PENNSYLVANIA

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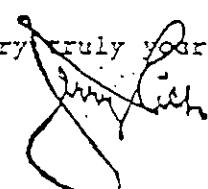
To Whom It May Concern:

The records of the Commission show that the applicant has complied with the necessary tariff and insurance requirements.

Enclosed is the Contract Carrier Permit evidencing the Commission's approval of the right to operate.

Kindly attach the enclosures to the compliance order previously issued and mailed to your.

Very truly yours,

  
Jerry Rich, Secretary

EMD  
Enclosure  
Certified Mail

EMPIRE WRECKING COMPANY OF  
READING PENNSYLVANIA  
1420 CLARION STREET  
READING PA 19601

APPENDIX NO. 2

RECEIVED NOV - 6 1991

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120

Application of Empire Wrecking  
Company of Reading, Pennsylvania

A-00108448

O R D E R

In accordance with the provisions of Act 294 of 1978 (66 Pa. C.S. §332(h)), the decision of Administrative Law Judge George M. Kashi dated March 28, 1990, has become final without further Commission action; THEREFORE,

IT IS ORDERED:

1. That the application be and is hereby granted to the extent that a need for contract carriage has been evidenced and that a permit be issued granting the following right:

To transport, as a contract carrier, property which because of its size or weight, requires the use of special equipment:

- (a) For the account of Simon Eastern Corporation between points in the counties of Berks, Bucks, Chester, Lancaster, Lebanon, Lehigh, Montgomery and Schuylkill; and
- (b) For the account of Giles and Ransom, Inc. from its facilities at City of Allentown, Township of Bensalem and Borough of Fleetwood to points in the counties of Berks, Chester, Delaware, Lehigh, Montgomery, Northampton, and Philadelphia.

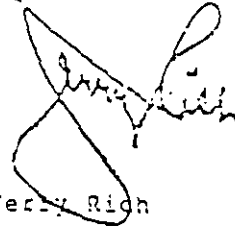
2. That upon compliance with the requirements of the Pennsylvania Public Utility Code and the rules and regulations of the Commission relating to the filing of evidence of insurance and the filing of a schedule of minimum rates and charges in accordance with 66 Pa. C.S.A. §2506, a permit issue evidencing the Commission's approval of the right to operate as above determined.

3. That the issuance of the permit is subject to the Applicant filing an acceptable contract with the Commission in accordance with 66 Pa. C.S.A. §2506 and 52 Pa. Code §31.45.

4. That in the event Applicant has not, on or before 60 days from the date of the service of this order, complied with the requirements set forth above, the application shall be dismissed without further proceedings.

5. That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to the Applicant, shall not be construed as conferring more than one operating right.

BY THE COMMISSION,

A handwritten signature in cursive script, appearing to read "Jerry Rich", is written over a large, stylized, circular scribble or stamp.

Jerry Rich  
Secretary

(SEAL)

ORDER ENTERED: MAY 24 1990

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

IN THE MATTER OF THE APPLICATION OF: A. 00108448, Folder 1


EMPIRE WRECKING COMPANY OF READING PENNSYLVANIA

The Pennsylvania Public Utility Commission hereby certifies that after an investigation had on the above entitled application, it has, by its order made and entered, a copy of which is attached hereto and made part hereof, found and determines that the granting of said

**CONTRACT CARRIER PERMIT**

will be consistent with the public interest and the policy declared in Section 2501 of the Public Utility Law, and this permit is issued evidencing its approval of the said application as set forth in said order.

*In Testimony Whereof,* the PENNSYLVANIA PUBLIC UTILITY COMMISSION has caused these presents to be signed and sealed, and duly attested by its Secretary at its office in the city of Harrisburg this 30th day of OCTOBER, 1991.

  
Secretary





COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

January 11, 1994

IN REPLY PLEASE  
REFER TO OUR FILE

A. 00108448

F. 1, Am-A

THOMAS P BROGAN ESQUIRE  
MALATESTA HAWKE & MCKEON  
PO BOX 1778  
HARRISBURG PA 17105-1778

Application of EMPIRE WRECKING COMPANY OF READING, PA, a corp of the  
Commonwealth of PA

To Whom It May Concern:

Please be advised that the tariff requirement has been satisfied  
in the above entitled proceeding and you may now utilize those rights.

Very truly yours,

John G. Alford, Secretary

EMD

EMPIRE WRECKING COMPANY OF READING, PA  
1420 CLARION STREET  
READING PA 19601

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265

Public Meeting held November 10, 1993

Commissioners Present:

David W. Rolka, Chairman  
Joseph Rhodes, Jr., Vice-Chairman  
John M. Quain  
Lisa Crutchfield  
John Hanger

Application of Empire Wrecking Company of Reading, PA, a corporation of the Commonwealth of Pennsylvania, for amendment to its contract carrier permit, for the right to transport by motor vehicle, cranes, crane parts, concrete pumps, and concrete pump parts, for Dickinson Crane & Concrete Pump Services, between points in Pennsylvania.

A-00108448  
F. 1  
Am-A

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Malatesta, Hawke & McKeon, by Thomas P. Brogan for the applicant.

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O R D E R

BY THE COMMISSION:

This matter comes before the Commission by an application filed on May 7, 1993, and published in the Pennsylvania Bulletin of June 26, 1993. There are no protests and the record is now certified to the Commission for its decision without oral hearing. Verified statements were submitted by the applicant and the shipper. A copy of the contract between the applicant and the shipper has also been submitted.

Harry J. O'Neill, president of Empire Wrecking Company of Reading, PA, (applicant), has submitted a verified statement in which he sets forth, inter alia, that the applicant has its principal place of business located at 1420 Clarion Street, Reading, Berks County. It currently serves two other shippers in the capacity of a contract carrier, transporting property which, because of size or weight, requires the use of special equipment. The applicant is affiliated with Delaware Valley Contractors, Inc., a common carrier holding authority from this Commission at A-00110333. Both carriers are subsidiaries of O'Neill Financial, Inc., in which the applicant witness is a stockholder and president.

RECEIVED NOV 29 1993

The Reading terminal is staffed with 22 full-time drivers and 15 office persons. In addition, it employs approximately 45 laborers, 10 heavy trucks and heavy equipment mechanics, and approximately 65 heavy equipment operators. The operating fleet consists of 11 tractors and 26 trailers. A comprehensive safety program is maintained.

The consolidated financial statement of O'Neill Financial, Inc., of which the applicant is a wholly-owned subsidiary, shows that as of October 31, 1992, it has current assets of \$5,185,177, total assets of \$8,281,158, with current liabilities of \$3,726,084 and total liabilities of \$6,015,370, leaving stockholders' equity of \$2,265,788.

Donald I. Dickinson, president of Dickinson Crane & Concrete Pump Services, states that in the company's business of renting cranes and concrete pumps, it has need for the applicant's proposed service at the rate of 200 to 300 truckloads per year. The company is currently meeting its transportation needs with its own equipment; however, there are times when it is necessary to seek outside help. The applicant can provide immediate service with the proper equipment.

The bilateral contract submitted with the application falls slightly short of complying with the provisions at 52 Pa. Code §31.45, in that it contains no reference to the area in Pennsylvania in which service is to be provided. The right to provide the proposed service is contingent upon our receipt of a revised bilateral contract.

We find:

1. That the applicant is fit, ready, willing and able to provide the proposed service.

2. That approval of the application is in the public interest;  
THEREFORE,

IT IS ORDERED: That the application be and is hereby approved and that the permit issued to the applicant on October 30, 1991, be amended to include the following right:

To transport, as a contract carrier by motor vehicle, cranes, crane parts, concrete pumps and concrete pump parts, for Dickinson Crane & Concrete Pump Services, between points in Pennsylvania.

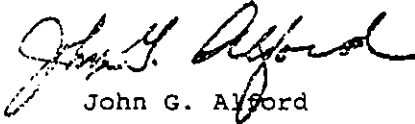
IT IS FURTHER ORDERED: That the applicant shall not engage in any transportation granted herein until it shall have complied with the requirements of the Pennsylvania Public Utility Code and the rules and regulations of the Commission relative to the filing and acceptance of a revised bilateral contract and a schedule of minimum rates and charges.

IT IS FURTHER ORDERED: That in the event the applicant has not, on or before sixty (60) days of the date of the service of this order, complied

with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings.

IT IS FURTHER ORDERED: That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to the applicant, shall not be construed as conferring more than one operating right.

BY THE COMMISSION,

  
John G. Alford  
Secretary

(SEAL)

ORDER ADOPTED: November 10, 1993

ORDER ENTERED: NOV 23 1993



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

January 11, 1994

IN REPLY PLEASE  
REFER TO OUR FILE

A. 00108448

F. I, Am-B

WSP INC

THOMAS P BROGAN ESQUIRE  
MALATESTA HAWKE & MCKEON  
PO BOX 1778  
HARRISBURG PA 17105-1778

Application of EMPIRE WRECKING COMPANY OF READING, PA; a corp of the  
Commonwealth of PA

To Whom It May Concern:

Please be advised that the tariff requirement has been satisfied  
in the above entitled proceeding and you may now utilize those rights.

Very truly yours,

John G. Alford, Secretary

EMD

EMPIRE WRECKING COMPANY OF READING, PA  
1420 CLARION STREET  
READING PA 19601

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265

Public Meeting held November 10, 1993

Commissioners Present:

David W. Rolka, Chairman  
Joseph Rhodes, Jr., Vice-Chairman  
John M. Quain  
Lisa Crutchfield  
John Hanger

Application of Empire Wrecking of Reading, Pa., for amendment to its contract carrier permit, for the right to transport by motor vehicle, carbon, for M.G.P., from its facilities in the borough of Womelsdorf, Berks County, to points in the borough of St. Marys, Elk County, with the right to return, refused, rejected or damaged shipments, to the point of origin.

A-00108448  
F. 1  
Am-B

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Thomas P. Brogan for the applicant.

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O R D E R

BY THE COMMISSION:

This matter comes before the Commission on an application filed July 19, 1993. Public notice of the application was given in the Pennsylvania Bulletin of August 7, 1993. The unopposed application is certified to the Commission for its decision without oral hearing. The record consists of verified statements entered by Harry J. O'Neill, III, president of the applicant and Franklin C. Schoch, president of M.G.P., Inc.

DISCUSSION AND FINDINGS

The applicant seeks amendment to its contract carrier permit so that it may provide service for one additional shipper. Empire Wrecking is affiliated with Delaware Valley Contractors, Inc., which holds authority granted by the Commission at A-00110333. Both are subsidiaries of O'Neill Financial, Inc. The companies are operated as distinct and separate entities. Currently, the applicant has authority to provide contract carrier service for Simon Eastern Corporation and Giles and Ransom, Inc.

RECEIVED NOV 24 1993

The applicant's facilities are located on five acres of land in Reading, Berks County. The facilities include a shop building, storage facility and office facility. The company operates under a central dispatch procedure with all drivers and equipment controlled from the Reading site. Currently, 22 full-time drivers and 15 office workers are employed by the company. 45 laborers, 10 heavy truck and heavy equipment mechanics and 65 heavy equipment operators are also on the payroll. The applicant operates a fleet of 11 tractors and 26 trailers consisting of four lowboys, 17 van trailers and five flatbed trailers. All equipment is in excellent condition and is routinely maintained and safety inspected.

The applicant has filed for authority at the request of the shipper. It is prepared to provide service seven days a week upon request. It will provide scheduled pickup and delivery service as well as expedited unscheduled service when requested to do so.

As a wholly-owned subsidiary of O'Neill Financial, Inc., the applicant entered a consolidated financial statement which includes the necessary financial data of Empire Wrecking. O'Neill and the subsidiaries report total assets of \$8,281,158 with total liabilities of \$3,726,084.

Supporting the application is M.G.P., Inc., which is a graphite machining company. The applicant will be used to transport one load of graphite per week from Womelsdorf to St. Marys. The shipper operates a private carriage fleet, but desires to have the applicant's contract carrier service available as the private fleet cannot keep up with production and shipping needs. Empire Wrecking is in proximity to the facilities of M.G.P., Inc., and a short-notice service appears possible.

The applicant and shipper will be required to provide a bilateral contract prior to rendering service. The contract must meet our requirements at 52 Pa. Code §31.45 and contain the authority granted by the instant order, provide a minimum amount of business over the term of the contract and contain or refer to a schedule of minimum rates and charges. The contract must be submitted for our approval prior to the provision of service.

We find:

1. The applicant stands ready, willing and able to provide contract carrier service for the single additional shipper.
2. The applicant has the unqualified support of the shipper named in the application as evidenced by the verified statement entered on its behalf.
3. Approval of the application for additional contract carrier authority is in the public interest; THEREFORE,

IT IS ORDERED: That the permit issued October 30, 1991, as amended, be further amended to include the following right:

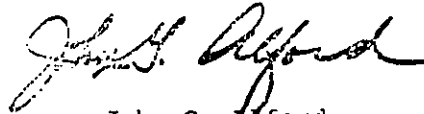
To transport, as a contract carrier by motor vehicle, carbon for M.G.P., Inc., from its facilities in the borough of Womelsdorf, Berks County, to points in the borough of St. Marys, Elk County, with the right to return refused, rejected or damaged shipments to the point of origin.

IT IS FURTHER ORDERED: That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to the carrier, shall not be construed as conferring more than one operating right.

IT IS FURTHER ORDERED: That the applicant shall not engage in any transportation granted herein until it shall have complied with the requirements of the Public Utility Code and the rules and regulations of the Commission relating to the filing of a schedule of minimum rates and charges and the filing and acceptance of a contract in compliance with 52 Pa. Code §31.45.

IT IS FURTHER ORDERED: That in the event the applicant has not, on or before sixty (60) days from the date of service of the order, complied with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings.

BY THE COMMISSION,



John G. Riford  
Secretary

(SEAL)

ORDER ADOPTED: November 10, 1993

ORDER ENTERED: NOV 23 1993

EMPIRE WRECKING COMPANY

OF READING, PA

SAFETY PROGRAM

APPENDIX NO. 5

## TABLE OF CONTENTS

- I. Letter from Management
- II. Objectives
- III. Definition of Safety
- IV. Vehicle Maintenance
  - A. Repair Procedures
  - B. Preventative Maintenance
- V. Driver Selection
  - A. Required attributes
  - B. Application for employment
    - 1. Contents
    - 2. Reason for disqualification
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  - C. Pre Employment Interview
    - 1. Interview Questions
    - 2. Open ended interview questions
  - D. Driving Test
- VI. Orientation
  - A. Department of Transportation Physical
  - B. Department of Transportation Test
  - C. Driver Abstract
- VII. Driver Training Program
  - A. Selection Criteria

To: ALL EMPLOYEES  
From: EMPIRE WRECKING COMPANY OF READING, PA  
Subject: SAFETY

Our people set us apart from the rest of the competition in our industry. It is our people that are the greatest asset we possess. Therefore, it is of vital importance that we all take a look at how our safety habits affect the outcome of the way we perform our jobs. It is our goal at Empire Wrecking to provide the safest environment we can and have the best safety record of the industry. This goal can only be met with the help and cooperation of everyone. We are going to take on a new look at Empire. One that promotes safety and encourages the participation of everyone in getting a trip completed.

To start such a program it is important that a good safety team be initiated from the top and have the full attention and support from upper management. So this is our personal promise to you to do our part to insure that we all have the safest working environment possible.

Harry J. O'Neill  
President

Jim Greenberg  
Fleet Safety Manager

## II. Objective

- A. To encourage and promote a safety consciousness among all employees
- B. To reduce vehicle accidents that are the fault of Empire drivers.
- C. To reduce vehicle accidents that are the fault of other drivers.
- D. To eliminate accidents that are the fault of equipment.
- E. To eliminate injuries to Empire employees and passengers.
- F. To reduce damage to Empire vehicles and equipment.
- G. To reduce damage to other vehicles and equipment.
- H. To control insurance costs by lowering potential liability.
- I. To lower workmen compensation premiums by accomplishing objectives 1-7.
- J. To enhance Empire's reputation for safety.
- K. To provide a system for hiring, promoting, and retaining safety conscious and safety practicing employees.
- I. To provide a method to continually increase driving skills and safety awareness.

## III. Definition of Safety

Safety is not a job or task which can be assigned to any one person. The process begins with a commitment from top management and filters down throughout the company. Top management's attitude and approach towards accident prevention is naturally reflected in the attitude of the supervisors and invariably to the subordinates.

A safety program is often defined as a method by management to share and assign responsibility for accident prevention and to insure performance under that responsibility.

#### IV. Summary of Safety Program

There are five major areas that the fleet safety manager must address when designing the vehicles safety program.

- A. Maintenance and choosing vehicles.
- B. Driver selection
- C. Driver training
- D. Supervision
- E. Safety incentives
- F. Fleet safety records

#### V. Vehicle Maintenance

Inspection will be done by the shop supervisor and operations manager. Inspection will be done in a timely manner and at random. Responsibility will be with the last driver assigned to each vehicle.

- A. Inspection
  - 1. Odometer reading
  - 2. Cleanliness check
    - a. Interior
    - b. Exterior
  - 3. Fluid levels
    - a. Engine oil
    - b. Washer fluid
    - c. Hydraulic fluids
  - 4. Lights
    - a. Headlights and brights
    - b. Turn signals
    - c. License plate
    - d. Tail lights
    - e. Brake lights
    - f. Backing lights
    - g. Dashboard lights
    - h. Marker lights
  - 5. Safety Kits
    - a. Reflector kit
    - b. First aid kits
    - c. Registration
    - d. Insurance card
    - e. Accident package
    - f. Fire extinguisher

V. Vehicle Maintenance (continued)

6. Miscellaneous
  - a. Horn
  - b. Mirrors
  - c. Steering
  - d. Wind shield wipers
  - e. Windshield washers
  - f. Heater and defroster
  - g. Air conditioner
  - h. Spare tire and jack
  - i. Tire pressure and condition
7. General running conditions and comments
8. Signed and dated by the inspector

B. Preventative maintenance

The following items are currently used in the scheduled maintenance program

1. Listing of all scheduled maintenance
2. Listing of all warranty limits
3. Listing of a time and site schedule
4. Red flag system to prompt maintenance
5. Communication to base supervisor to inform him of scheduled maintenance
6. Control checks to insure that maintenance is being completed in a timely manner.

V. Driver Selection

The next area to address is driver selection. This section will specify what must be done in order to accomplish Empire's objective of providing a system for hiring, promoting, and retaining safety conscious and safety practicing employees.

A. Required Attributes

Proper hiring is where the system begins and if done properly solves most problems and prevents so many others. There are many capable drivers who possess the skills and attributes to become safe and conscientious drivers. Listed below are the skills and attributes we look for when hiring a new driver:

1. Reliability
2. Promptness
3. Safety Awareness
4. Possessing safety skills and knowledge

In order to obtain drivers with the fore mentioned skills, attributes and abilities, Empire uses the following tools in the driver selection process;

1. The application form
2. Investigation of applicant
3. The employment interview
4. Written test
5. Driving test
6. Physical examination

Listed as appendix C is an example of Empires application for employment. Attached to the application is a note which informs the applicant that a physical is required which involves drug testing, as required by the Department of Transportation. If applicable in the hiring state, the application also informs the individual that he will need to acquire a CDL License. The application also contains the following which is important for the supervisor to make a good choice in selecting drivers:

1. Applicants names, date of birth, and social security number
2. Previous address for a period of three years.
3. In case of emergency information
4. Position expectation
5. Empire past employment history if applicable
6. Educational background
7. General information, ever bonded, ever convicted of a felony
8. Physical limitations.
9. Date of last D.O.T. physical
10. Employment record for the past 7 years
11. Driver qualifications. includes license information
12. Driving experience, details, certifications, awards
13. Accident review for past three years
14. Traffic convictions and forfeitures for the past three years
15. A signed statement from the applicant stating that all this information is true

An application is useless unless the examiner uses the information on the application correctly in order to hire the best possible applicants. Listed below are mandatory reasons for the examiner to immediately disqualify the applicant:

1. Applicant has unsatisfactory driving record
  - a. More than 1 moving violation
  - b. An at fault accident within the past 12 months
2. Applicant possess an invalid or expired drivers license
3. Applicant has stated that he has been convicted of driving while intoxicated or using illegal drugs
4. Applicant indicates a conviction for reckless driving
5. Failure to pass Empires traffic and knowledge test
6. No CDL license

Refer to appendix D for an example of the application review checklist.

Once the application has been reviewed and the applicant is still under consideration, the examiner should verify the past employment with his/her past employer. Often times the previous employer will be reluctant to divulge any information. The most important question and a question which will usually be answered is: Would you be willing to rehire the applicant if given the chance? If the answer is no, and there are other negative factors the applicant should not be brought in for an interview.

If the applicant passes the initial screening, an interview will be conducted. This is a very important aspect because at this time much more personal information can be obtained. Listed below are the appropriate actions the supervisor should take to any yes answerers tot he following pre-employment interview questions:

1. Have you ever been employed by Empire before? Contact home office.
2. Are there any times when you are unavailable to work? Determine if their is a problem.
3. Have you ever drawn workmens compensation or a pension benefit? Obtain details and contact Home Office.
4. Have you ever been fired forma job? Obtain details

Pre-employment interview questions (continued)

5. Have you ever had any type of mental illness?  
Contact home office.
6. Have you ever been arrested for D.U.I.?  
Automatic rejection.
7. Has drinking interfered with your work?  
Automatic rejection.
8. Have you ever had your drivers license suspended or  
revoked?  
Obtain details.
9. Have you ever been convicted of an offense other than a  
traffic violation.
10. Have you ever been injured on the job?  
Obtain details.
11. Do you have a phone? No.  
Automatic rejection.
12. Do you own a car? No.  
Weigh in hiring decision.
13. How far do you live from this Empire Yard?  
Weigh in hiring decision.
14. Are all the above answers true and correct?

See appendix E for the pre-employment interview form.

In addition to the questions listed above, Empire feels that such can be learned from a series of open ended questions which the supervisor may pick from at his discretion.

1. What have you done that you are proud of?
2. What aspects of your last job did you like best?
3. What did you do at your last job?
4. Why did you leave your last job?
5. Would you tell me about the ups and downs of your health  
in the past few years?
6. If you could of made one suggestion to management, what  
would it have been?
7. What else would you like to know about this job?

If after the interview is conducted, and the examiner still wishes to hire the applicant, a driving test is conducted by the base supervisor.  
(See appendix B)

#### VI. Orientation

If the applicant passes all the aforementioned tests he or she is informed at the conclusion of the test that they are hired for a probationary period. The probationary period lasts for 90 days. At this point the orientation period begins. The orientation consists of:

1. A physical is scheduled which is designed to test one's physical health and for the presence of drugs. All people who fail the physical are dismissed and if applicable referred to a drug rehabilitation clinic.
2. Newly hired drivers are given an Empire revised test designed to increase ones knowledge of the rules and regulations regarding safety procedures, as set forth by the Department of Transportation. See appendix H for the questions.  
See appendix I for the answers.
3. All questions and answers for the aforementioned test are reviewed by the supervisor, and the newly hired person, to maximize comprehension and retention of knowledge.
4. A driver abstract is ordered form the applicable state, in order to insure accurate driving history information. Any abstract which contains driving information that has been previously listed as cause for dismissal or beyond the Empire aforementioned limits is cause for immediate dismissal.
5. The driver is verbally informed of this safety incentive program and encouraged to participate.

With the aforementioned in mind, Empire has decided upon the following delegation of duties:

#### PRESIDENT

- A. Is responsible to review all accident statistics compiled by the Fleet Safety Manager.
- B. Works together with the Fleet Safety Manager whenever an insurance claim exists.
- C. Instills the appropriate attitude and stresses the importance of the safety program to all members of the company

### Fleet Safety Manager

- A. Oversees entire safety program.
- B. Reports directly responsible to review all accident statistics
- C. Primary concern is accident and injury prevention
- D. Involved in all aspects of the transportation service to insure safety is a primary concern in all management decisions.
- E. Creator and observer of safety training procedures and education.
- F. Never Drives an unsafe vehicle.

### Maintenance Director

- A. Insures that all vehicles are repaired properly and in a timely manner.
- B. Insures that All preventative maintenance is completed in a timely manner.
- C. Inspects truck and trailers on random basis to insure that vehicles are being inspected by drivers
- D. Reports safety information to Fleet Safety Officer
- E. Relays information to driver from safety officer & safety officer.
- F. Informs supervisor and driver of new safety issues and requirements
- G. Report potential accident and injury occurrence
- H. Conducts the safety incentive program in conjunction with the Fleet Safety Manager.

### Dispatcher

- A. Reports potential accident and injury occurrence.
- B. Informs and explains safety issues and requirements to drivers.
- C. Obtains required repair information from drivers and supervisors.
- D. Informs drivers of pertinent weather conditions.
- E. Monitors drivers behavior to insure safe behavior.

## Drivers

- A. Completes all pre-trip inspections.
- B. Relays all needed repair ID to supervisor and or dispatcher.
- C. Completes all accident reports completely and accurately.
- D. Drives in a safe manner and is safety conscious.
- E. Insists all passengers abide by all safety requirements.

The next area that needs to be addressed is a means to determine if the safety education is actually being followed and used on the road. Listed below are some methods for monitoring the drivers actions on the road.

1. Fleet safety supervisor making surprise inspections and taking trips with the drivers when directed by the safety manager.
2. Placing signs on the rear of each van with our toll free number so that any concerned individual may relay comments.  
relay comments.
3. The monitoring methods as described in the incentive program. 2%
4. A thorough accident investigation.

After a means for monitoring a drivers safety performance has been implemented, a policy for disciplinary and termination actions must be initiated. Listed below is Empire's stop/loss program:

1. First nonpreventable accident
  - a. Reprimand and explanation of the importance of defensive driving by the safety manager.
  - b. No awards will be given.
2. Second nonpreventable accident
  - a. Reprimand and explanation of the importance of defensive driving from the safety manager.
  - b. Possible suspension
  - c. Possible termination
3. First preventable accident
  - a. Reprimand and explanation of the importance of defensive driving by the fleet safety manager
  - b. Automatic three day suspension
  - c. Possible termination
4. Second preventable accident
  - a. Mandatory termination

5. Not reporting an accident
  - a. Mandatory termination
6. Driving while intoxicated (in any vehicle)
  - a. Mandatory termination
7. First moving violation
  - a. Reprimand and explanation of the importance of defensive driving by the fleet safety manager
8. Second moving violation within three years
  - a. Reprimand and explanation of the importance of defensive driving by the fleet safety manager.
9. Second moving violation within one year
  - a. Reprimand and explanation of the importance of defensive driving by the fleet safety manager.
  - b. Mandatory suspension.
  - c. Possible termination.
10. Three moving violations within a three year period
  - a. Mandatory termination
11. Reckless driving conviction
  - a. Mandatory termination

Any combination of the above that may lead the fleet safety manager to believe that a driver may be unsafe will be grounds for dismissal.

PRE-EMPLOYMENT INTERVIEW FORM

Applicant \_\_\_\_\_

Date \_\_\_\_\_

Position \_\_\_\_\_

Interviewer \_\_\_\_\_

1. Have you ever been employed by Empire Wrecking before?
2. Are there any times when you are unavailable to work?
3. Have you ever been fired from a job?
4. Have you ever has any type of mental illness?
5. Have you ever been arrested for D.U.I.?
6. Has drinking interfered with your work?
7. Have you ever has your drivers license suspended or revoked?
8. Have you drawn a pension or workmens compensation?
9. Have you ever been convicted of an offense other than a traffic violation?
10. Do you have a phone?
11. Do you own a car?
12. Have you ever been injured on the job?
13. How far do you live from this \_\_\_\_\_ yard?
14. Are all the above answers true and correct?

Applicants Signature \_\_\_\_\_

OPTIONAL PRE EMPLOYMENT OPEN ENDED QUESTIONS

Applicants Name \_\_\_\_\_ Date \_\_\_\_\_

1. What have you done that you are proud of?
2. What aspects of your last job did you like best?
3. What did you do at your last job?
4. Why did you leave your last job?
5. Would you tell me about the ups and downs of your health the past few years?
6. If you could of made one suggestion ot management, what would it of been?
7. What also would you like to know about this job?

O'NEILL FINANCIAL, INC.  
CONSOLIDATED FINANCIAL REPORT  
(Reviewed)

OCTOBER 31, 1992

Beard  
& Company  
INC.  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors  
O'Neill Financial, Inc.  
Reading, Pennsylvania

We have reviewed the accompanying consolidated balance sheets of O'Neill Financial, Inc. and subsidiaries as of October 31, 1992 and 1991, and the related consolidated statements of income, retained earnings and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All of the information included in those financial statements is the representation of the management of O'Neill Financial, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with generally accepted accounting principles.

*Beard & Company Inc*

Reading, Pennsylvania  
March 4, 1993

CONSOLIDATED BALANCE SHEETS  
October 31, 1992 and 1991  
See Accountant's Report

ASSETS	1992	1991
<b>CURRENT ASSETS</b>		
Cash	\$ 106,396	\$ 138,890
Accounts receivable:		
Trade and contract, including retention 1992 \$ 12,480; 1991 \$ 266,403	2,533,563	2,226,702
Affiliates	132,976	102,256
Other	21,530	3,125
Costs and estimated earnings in excess of billings on uncompleted contracts	593,146	174,883
Real estate development in progress	1,561,416	691,207
Prepaid income taxes	236,150	47,805
Total current assets	<u>5,185,177</u>	<u>3,384,868</u>
<b>INVESTMENTS</b>		
Property held for lease, less accumulated depreciation 1992 \$ 29,755; 1991 \$ 18,448	760,399	284,749
Partnerships and joint ventures	381,542	545,407
Land held for resale, at cost	564,464	505,988
Leveraged leases	38,406	49,775
	<u>1,744,811</u>	<u>1,385,922</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land and land improvements	150,000	345,531
Buildings	130,000	130,000
Machinery and equipment	5,387,323	5,244,031
	<u>5,667,323</u>	<u>5,719,562</u>
Less accumulated depreciation	4,406,464	3,784,941
	<u>1,260,859</u>	<u>1,934,621</u>
<b>DEFERRED INCOME TAXES</b>	<u>66,666</u>	<u>66,666</u>
<b>OTHER ASSETS</b>	<u>23,645</u>	<u>28,611</u>
	<u>\$ 8,281,158</u>	<u>\$ 6,800,772</u>

See Notes to Consolidated Financial Statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>1992</u>	<u>1991</u>
CURRENT LIABILITIES		
Notes payable	\$ 875,000	\$ -
Current maturities of long-term debt	708,832	609,406
Accounts payable:		
Trade	1,871,004	938,226
Affiliates	112,996	138,710
Billings in excess of costs and estimated earnings on uncompleted contracts	71,446	353,293
Accrued expenses	58,912	309,687
Income taxes payable	27,894	-
	<u>3,726,084</u>	<u>2,349,322</u>
LONG-TERM DEBT, less current portion	<u>2,248,059</u>	<u>1,603,141</u>
DEFERRED INCOME TAXES ARISING FROM LEVERAGED LEASES	<u>41,227</u>	<u>66,437</u>
SHAREHOLDERS' EQUITY		
Capital stock:		#2
Preferred, 14% noncumulative, voting, \$ 100 par value; authorized 250,000 shares; issued and outstanding 3,301 shares	330,100	330,100
Class A common, voting, \$ 10 par value; authorized 500,000 shares; issued and outstanding 5,501 shares	55,010	55,010
Class B common, nonvoting, \$ 10 par value; authorized 250,000 shares; issued 16,501 shares	165,010	165,010
Additional paid-in capital	1,000	1,000
Retained earnings	1,929,409	2,445,476
	<u>2,480,529</u>	<u>2,996,596</u>
Less cost of 3,617 shares of Class B common stock acquired for the treasury	<u>214,741</u>	<u>214,741</u>
	<u>2,265,788</u>	<u>2,781,855</u>
	<u>\$ 8,281,158</u>	<u>\$ 6,800,755</u>
	=====	=====

CONSOLIDATED STATEMENTS OF INCOME  
Years Ended October 31, 1992 and 1991  
See Accountant's Report

	<u>1992</u>	<u>1991</u>
Revenues earned	\$ 15,724,855	\$ 14,960,944
Cost of earned revenues	<u>13,990,501</u>	<u>12,977,997</u>
Gross profit	1,734,354	1,982,947
Other operating revenues, rental income, net of expenses including depreciation 1992 \$ 11,307; 1991 \$ 12,339	<u>105,319</u>	<u>24,490</u>
	1,839,673	2,007,437
Operating expenses	<u>2,158,221</u>	<u>1,338,900</u>
Operating income (loss)	<u>(318,548)</u>	<u>668,537</u>
Nonoperating income (expense):		
Interest expense	(249,898)	(216,373)
Gain on sale of assets	9,248	205,228
Equity in income (losses) of partnerships and joint ventures	113,990	(97,763)
Other expense	<u>(11,728)</u>	<u>(37,243)</u>
	<u>(138,388)</u>	<u>(146,151)</u>
Income (loss) before income taxes	(456,936)	522,386
Provision for income taxes	<u>34,373</u>	<u>182,690</u>
Net income (loss)	<u>\$ (491,309)</u>	<u>\$ 339,696</u>

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS  
 Years Ended October 31, 1992 and 1991  
 See Accountant's Report

	<u>1992</u>	<u>1991</u>
Balance, beginning	\$ 2,445,476	\$ 2,130,537
Net income (loss)	(491,309)	339,696
Dividends	<u>(24,758)</u>	<u>(24,757)</u>
Balance, ending	<u>\$ 1,929,409</u>	<u>\$ 2,445,476</u>

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
 Years Ended October 31, 1992 and 1991  
 See Accountant's Report

	<u>1992</u>	<u>1991</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (491,309)	\$ 339,696
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	694,120	866,984
Equity in (income) losses of partnerships and joint ventures	(113,990)	97,763
Gain on sale of assets	(9,248)	(205,228)
Deferred income taxes	(25,210)	(85,502)
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(355,986)	309,202
Costs and estimated earnings in excess of billings on uncompleted contracts	(418,263)	(57,379)
Real estate development in progress	(1,013,506)	(517,952)
Prepaid income taxes	60,092	(67,945)
Other assets	5,030	(7,060)
Increase (decrease) in:		
Accounts payable	907,064	(27,939)
Billings in excess of costs and estimated earnings on uncompleted contracts	(281,847)	167,432
Accrued expenses	(250,775)	79,066
Income taxes payable	(220,543)	56,035
Net cash provided by (used in) operating activities	<u>(1,514,371)</u>	<u>947,173</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of assets	39,248	351,362
Purchase of property held for lease	-	(89,000)
Rentals received from leveraged leases	11,373	22,590
Purchase of land held for resale	(39,882)	(250,554)
Distributions received from (capital contributions to), partnerships and joint ventures	81,160	(246,599)
Purchase of property and equipment	(204,608)	(768,944)
Net cash used in investing activities	<u>(112,709)</u>	<u>(981,145)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
Years Ended October 31, 1992 and 1991  
See Accountant's Report

	<u>1992</u>	<u>1991</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on revolving credit agreements	\$ 875,000	\$ -
Proceeds from long-term borrowings	1,788,853	1,456,883
Principal payments on long-term borrowings	(1,044,509)	(1,329,945)
Cash dividends paid	<u>(24,758)</u>	<u>(24,757)</u>
Net cash provided by financing activities	<u>1,594,586</u>	<u>102,181</u>
Increase (decrease) in cash	(32,494)	68,209
Cash:		
Beginning	<u>138,890</u>	<u>70,681</u>
Ending	\$ 106,396 =====	\$ 138,890 =====
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for:		
Interest	\$ 249,898 =====	\$ 216,373 =====
Income taxes	\$ 221,980 =====	\$ 278,669 =====

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

## Note 1. Nature Of Business And Significant Accounting Policies

## Nature of business:

O'Neill Financial, Inc. provides executive and management services to its subsidiaries. Empire Wrecking Co. of Reading, PA operates in the construction industry which includes real estate development (primarily excavation, demolition and salvage), sale of building materials and as a general contractor. Empire Builders and Contractors, Inc. is also in the construction industry, primarily home building and renovations. Empire Equipment Leasing Co. rents and maintains heavy equipment used by the other subsidiaries. Empire Realty, Inc. invests primarily in real estate for rent to third parties or holds land for future development. Empire Wrecking of Delaware Co., Inc. derives income from the use of the "Empire Wrecking Co." name through the collection of royalties. Elk Transportation, Inc. is a contract carrier of various materials, including construction waste and hazardous materials.

The Companies operate primarily in eastern Pennsylvania, except for Elk Transportation, Inc. which services the entire United States. Financial instruments which potentially subject the Companies to a concentration of credit risk consist primarily of trade or contract accounts receivable.

## Principles of consolidation:

The consolidated financial statements include the accounts of O'Neill Financial, Inc. (the Company) and its wholly-owned subsidiaries, Empire Wrecking Co. of Reading, PA, Empire Realty, Inc., Empire Equipment Leasing, Inc., Empire Builders and Contractors, Inc., Elk Transportation, Inc. and Empire Wrecking of Delaware Co., Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company also owns 100% of the outstanding common stock of Berks Transfer, Inc. and Empire Building Products, Inc., which are currently inactive.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

## Note 1. Nature Of Business And Significant Accounting Policies (Continued)

## Accounting basis for recording income:

Income from construction contracts is recorded on the percentage of completion method. Under this method, income on contracts is recorded on the basis of the Company's estimates of the percentage of completion of individual contracts, commencing when progress reaches a point where experience is sufficient to estimate final results with reasonable accuracy. That portion of the total price is accrued which is allocable, on the basis of the Company's estimates of the percentage of completion, to contract expenditures incurred and work performed. As some of these contracts extend over one or more years, revisions in cost and profit estimates during the course of the work are reflected in the accounting period in which the facts which require the revision become known. At the time a loss on a contract becomes known, the entire amount of the estimated ultimate loss is accrued.

Home sales are included in revenues when title is transferred<sup>xxx</sup> to the buyer, using the full accrual method.

## Property and equipment:

Property and equipment is carried at cost. Depreciation is computed generally on an accelerated basis over the following estimated useful lives of the respective classes of property:

	<u>Years</u>
Buildings	15 - 31-1/2
Machinery and equipment	3-10

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

Note 1. Nature Of Business And Significant Accounting Policies (Continued)

Income tax matters:

The Company files its federal income tax return on a consolidated basis with its subsidiaries. The members of the consolidated group have elected to allocate federal income taxes among the members of the group by the separate company method, under which the parent company makes payments to any member of the group for the income tax reductions resulting from the member's inclusion in the consolidated return, or the member makes payments to the parent company for its allocated share of the consolidated income tax liability.

Real estate development in progress:

Real estate development in progress includes all direct costs of land development and have construction incurred during the construction period, which is not in excess of net realizable value.

Note 2. Costs And Estimated Earnings On Contracts

	<u>1992</u>	<u>1991</u>
Costs incurred on uncompleted contracts	\$ 2,725,302	\$ 1,567,000
Estimated earnings	387,461	244,490
	<u>3,112,763</u>	<u>1,811,490</u>
Less billings to date	<u>2,591,063</u>	<u>1,989,900</u>
	\$ 521,700	\$ (178,410)
	=====	=====

Included in the accompanying balance sheets under the following captions are:

	<u>1992</u>	<u>1991</u>
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 593,146	\$ 174,883
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>(71,446)</u>	<u>(353,293)</u>
	\$ 521,700	\$ (178,410)
	=====	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

## Note 3. Notes Payable

The Company has an unsecured line of credit of \$ 1,000,000 with Meridian Bank. The line requires monthly interest payments on the outstanding balance at the Bank's prime rate plus .25%. As of October 31, 1992, there was \$ 675,000 outstanding against the line of credit. This line will expire April 30, 1993.

The Company also has two \$ 500,000 unsecured lines of credit with Meridian Bank. One line requires monthly interest payments at the Bank's prime rate plus .5% and the other line is at the Bank's prime rate. As of October 31, 1992, there were no borrowings against these lines of credit. The lines will also expire at February 28, 1993 and April 30, 1993 respectively.

The Company also has an unsecured working capital line of credit of \$ 300,000 with First National Bank of Leesport. The line requires monthly interest payments on the outstanding balance at the Bank's prime rate. As of October 31, 1992, \$ 200,000 was outstanding against the line of credit.

The Company has a \$ 373,000 letter of credit with Great Valley Savings Bank. The letter of credit requires monthly interest payments on the unpaid principal at the Bank's prime rate plus 1%. The letter of credit is collateralized by a mortgage on certain real estate and will expire February 1, 1994.

## Note 4. Long-Term Debt

Long-term debt consisted of the following at October 31, 1992 and 1991:

	<u>1992</u>	<u>1991</u>
Note payable to Meridian Bank in monthly installments of \$ 13,889 plus interest at 9.85%; through May 1994.	\$ 277,778	\$ 444,444
Revolving equipment loan payable to Meridian Bank in monthly installments aggregating \$ 13,921, plus interest at the Bank's prime rate plus .25%, through August 1993.	97,053	264,104
Note payable to Meridian Bank in monthly installments of \$ 8,333, plus interest at 10.25%, through December 1992.	16,667	116,667

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

## Note 4. Long-Term Debt (Continued)

	<u>1992</u>	<u>1991</u>
Note payable (\$ 450,000 available) to Great Valley Savings Bank, interest payable monthly at the Bank's prime rate plus 1%, principal due February 1994, collateralized by certain real estate.	\$ 288,853	\$ -
Note payable to Caterpillar Financial Services in monthly installments of \$ 3,311, including interest at 6%, through April 1993, collateralized by certain equipment.	18,434	55,809
Note payable to Hamilton Bank in monthly installments of \$ 2,974, including interest at 10%, through June 1992 and monthly installments of \$ 2,351, plus interest at the Bank's prime rate plus .75%, through June 1997, collateralized by certain equipment and real estate.	130,666	153,264
Note payable to Hamilton Bank in monthly installments of \$ 1,672, including interest at 10.65%, through October 1995, at which time the remaining balance is due, collateralized by certain real estate.	141,078	145,602
Note payable to First National Bank of Leesport in monthly installments of \$ 1,015, including interest at 10.75%, through September 1994, at which time the remaining balance is due, collateralized by certain real estate.	92,696	94,790
Note payable to Meridian Bank in monthly installments of \$ 13,889, commencing May 1993 through May 1996, interest is payable at the Bank's prime rate plus .25%.	393,666	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

## Note 4. Long-Term Debt (Continued)

	<u>1992</u>	<u>1991</u>
Note payable to Meridian Bank in monthly installments of \$ 41,667 commencing June 1993 through May 1996, interest is payable monthly at the Bank's prime rate.	\$ 1,500,000	\$ 500,000
Note payable (\$ 500,000 available) to Meridian Bank in 36 equal monthly installments commencing June 1992 through May 1995, interest is payable monthly at the Bank's prime rate plus .25%.	-	380,822
Note payable to John Deere, paid July 1992.	-	57,045
	<u>2,956,891</u>	<u>2,212,547</u>
Less current maturities	<u>708,832</u>	<u>609,406</u>
	<u>\$ 2,248,059</u>	<u>\$ 1,603,141</u>
	=====	=====

The aggregate amounts of principal maturities of long-term debt as of October 31, 1992 are as follows:

Years ending October 31:	
1993	\$ 708,832
1994	1,191,112
1995	718,259
1996	319,879
Thereafter	<u>18,809</u>
	<u>\$ 2,956,891</u>
	=====

All notes payable to Meridian Bank are cross-collateralized by a first lien on all equipment and the assignment of a \$ 1,000,000 insurance policy on the life of a shareholder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

## Note 5. Income Taxes

Income tax expense as shown in the statements of income includes the following:

	<u>1992</u>	<u>1991</u>
Federal:		
Currently payable	\$ -	\$ 231,928
Deferred	-	(52,360)
	<u>-</u>	<u>179,568</u>
State:		
Currently payable	34,373	17,428
Deferred	-	(14,306)
	<u>34,373</u>	<u>3,122</u>
	\$ 34,373	\$ 182,690
	=====	=====

For the year ended October 31, 1992, the Company had a net operating loss approximating \$ 465,000, and has elected to carryforward this loss to reduce future federal taxable income. The net operating loss carryforward will expire at October 31, 2007.

## Note 6. Investments In Partnerships And Joint Ventures

The Company has several interests in partnerships and corporations (in varying percentages from 25% to 66-2/3%). These entities primarily exist for the purpose of investing in residential or commercial real estate. The partnership agreements expire at various dates through December 31, 1995. During 1992, the Company terminated a partnership and received a distribution approximating \$ 117,000 which was recognized as income for the year ended October 31, 1992.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

## Note 7. Property Held For Lease

The Company leases residential housing under operating lease agreements with terms ranging from one to five years and are due to expire at various dates through October 31, 1993. Rental income included in the income statements approximated \$ 99,000 and \$ 60,590 for the years ended October 31, 1992 and 1991 respectively. The cost of the residential property held under operating leases aggregated \$ 760,399 and \$ 303,197 and accumulated depreciation aggregated \$ 29,755 and \$ 18,448 as of October 31, 1992 and 1991 respectively.

## Note 8.. Investment In Leveraged Leases

The Company is the lessor in a leveraged lease agreement, under which various equipment, having estimated economic lives of five to seven years, is being leased for similar terms to unaffiliated corporations or institutions. At the beginning of the lease term, the Company's equity investment represented approximately 18% of the equipment purchase cost; the remaining 82% was furnished by third-party financing in the form of long-term debt that provides for no recourse against the Company. The debt is collateralized by first liens on the related equipment under each respective lease agreement. Under all these lease agreements, the equipment is returned to the investment manager at the end of the lease term. The residual values at that time on such equipment are estimated at 18% of the original equipment cost. The total estimated residual value at October 31, 1992 approximated \$ 47,000.

The investment manager which is servicing the leases is paid an annual management fee and will be paid 15% of the proceeds from remarketing (i.e., sale or re-leasing) the leased equipment. The remaining proceeds will be paid to the Company as the estimated residual value or as additional profits from the lease investment.

For federal income tax purposes, the Company has the benefit of tax deductions for accelerated depreciation on the leased assets and for interest on the long-term debt associated with the leases. During the early years of the leases, the tax deductions exceed the lease rental income, and such excess deductions are available to be applied against the Company's other income. In later years, rental income will exceed the deductions and income taxes will be payable. Deferred income taxes have been provided to reflect this reversal.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountant's Report)

## Note 8. Investment In Leveraged Leases (Continued)

As of October 31, 1992 and 1991, the Company's net investment in leveraged leases is comprised of the following:

	<u>1992</u>	<u>1991</u>
Rental receivable (net of principal and interest on the non-recourse debt), including estimated residual value	\$ 38,406	\$ 49,779
Less deferred income taxes arising from leveraged leases	<u>(41,227)</u>	<u>(66,437)</u>
Net investment in leveraged leases	<u>\$ (2,821)</u>	<u>\$(16,658)</u>

## Note 9. Subsequent Event

On November 1, 1992, the Company acquired 5,209 shares of Class B common stock (non-voting) and 2,409 shares of preferred stock (voting) from a shareholder. In exchange, the shareholder acquired 100% ownership of Empire Realty, Inc., a wholly-owned subsidiary of O'Neill Financial, Inc. The transaction was classified a tax-free exchange and no gain or loss will be recognized by O'Neill or the shareholder.

Based on the above transaction, a proforma consolidated balance sheet and income statement, excluding Empire Realty, Inc., as of and for the year ended October 31, 1992, is as follows:

Current assets	\$ 5,614,482
Investments	904,149
Property and equipment, net	1,260,859
Deferred income taxes and other assets	<u>76,439</u>
	<u>\$ 7,855,929</u>
	=====
Current liabilities	\$ 3,675,967
Long-term debt	2,054,249
Other liabilities	41,227
Shareholders' equity	<u>2,084,486</u>
	<u>\$ 7,855,929</u>
	=====
Revenue earned	\$ 15,724,855
Cost of earned revenue	<u>13,990,501</u>
Gross profit	1,734,354
Other operating revenues	<u>32,895</u>
	1,767,249
Operating expenses	<u>2,148,030</u>
Operating loss	(380,781)
Non-operating expenses	216,887
Provision for income taxes	<u>17,134</u>
Net loss	<u>\$ (614,802)</u>
	=====

INDEPENDENT ACCOUNTANT'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors  
O'Neill Financial, Inc.  
Reading, Pennsylvania

Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic consolidated financial statements in order for them to be in conformity with generally accepted accounting principles. The consolidating and other supplementary information which follows is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies and is not a required part of the basic consolidated financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic consolidated financial statements and we did not become aware of any material modifications that should be made to such information.

*Beard & Company, Inc.*

Reading, Pennsylvania  
March 4, 1993

BALANCE SHEETS, BY COMPANY  
October 31, 1992  
See Accountant's Report

ASSETS	<u>Consolidated</u>	<u>Eliminations And Adjustments</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 106,396	\$ -
Accounts receivable:		
Trade and contract, including retention	2,533,563	-
Intercompany	-	(5,264,198)
Affiliates	132,976	-
Other	21,530	-
Costs and estimated earnings in excess of billings on uncompleted contracts	593,146	-
Real estate development in progress	1,561,416	-
Prepaid income taxes	<u>236,150</u>	<u>-</u>
Total current assets	<u>5,185,177</u>	<u>(5,264,198)</u>
<b>INVESTMENTS</b>		
Subsidiaries	-	(676,421)
Property held for lease, net	760,399	-
Partnerships and joint ventures	381,542	-
Land held for resale	564,464	-
Leveraged leases	<u>38,406</u>	<u>-</u>
	<u>1,744,811</u>	<u>(676,421)</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land and land improvements	150,000	-
Buildings	130,000	-
Machinery and equipment	<u>5,387,323</u>	<u>-</u>
	5,667,323	-
Less accumulated depreciation	<u>4,406,464</u>	<u>-</u>
	<u>1,260,859</u>	<u>-</u>
<b>DEFERRED INCOME TAXES</b>	<u>66,666</u>	<u>-</u>
<b>OTHER ASSETS</b>	<u>23,645</u>	<u>-</u>
	<u>\$ 8,281,158</u>	<u>\$(5,940,619)</u>
	=====	=====

<u>Empire Builders &amp; Contractors, Inc.</u>	<u>Empire Equipment Leasing, Inc.</u>	<u>Elk Transportation, Inc.</u>	<u>Empire Realty, Inc.</u>	<u>Empire Wrecking Co. Of Reading, PA</u>	<u>Empire Wrecking Of Delaware Co., Inc.</u>	<u>O'Neill Financial, Inc.</u>
\$ 50,647	\$ 33	\$ 3,702	\$ 2,603	\$ 45,849	\$ 3,557	5
510,041	-	236,001	-	1,787,521	-	-
-	336,511	-	-	1,508,171	398,100	3,021,416
-	-	-	-	132,976	-	-
-	-	3,445	-	1,085	-	17,000
-	-	-	-	593,146	-	-
1,199,182	-	-	-	362,234	-	-
-	420	300	-	230,677	-	4,753
<u>1,759,870</u>	<u>336,964</u>	<u>243,448</u>	<u>2,603</u>	<u>4,661,659</u>	<u>401,657</u>	<u>3,043,174</u>
-	-	-	-	-	-	676,421
-	-	-	760,399	-	-	129,276
-	-	-	-	252,266	-	35,000
-	-	-	80,263	449,201	-	-
-	-	-	-	38,406	-	-
-	-	-	840,662	739,873	-	840,697
-	-	-	-	150,000	-	-
-	-	-	-	130,000	-	-
7,865	1,607,321	539,898	-	3,232,239	-	-
7,865	1,607,321	539,898	-	3,512,239	-	-
2,261	1,081,485	323,337	-	2,999,381	-	-
<u>5,604</u>	<u>525,836</u>	<u>216,561</u>	<u>-</u>	<u>512,858</u>	<u>-</u>	<u>-</u>
-	-	-	13,872	41,095	-	11,699
-	-	-	-	23,645	-	-
<u>\$ 1,765,474</u>	<u>\$ 862,800</u>	<u>\$ 460,009</u>	<u>\$ 857,137</u>	<u>\$ 5,979,130</u>	<u>\$ 401,657</u>	<u>\$ 3,895,570</u>

## BALANCE SHEETS, BY COMPANY (CONTINUED)

October 31, 1992

See Accountant's Report

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>Consolidated</u>	<u>Eliminations And Adjustments</u>
<b>CURRENT LIABILITIES</b>		
Notes payable	\$ 875,000	\$ -
Current maturities of long-term debt	708,832	-
Accounts payable:		
Trade	1,871,004	-
Intercompany	-	(5,264,198)
Affiliates	112,996	-
Billings in excess of costs and estimated earnings on uncompleted contracts	71,446	-
Accrued expenses	58,912	-
Income taxes payable	27,894	-
	<u>3,726,084</u>	<u>(5,264,198)</u>
<b>LONG-TERM DEBT, less current portion</b>	<u>2,248,059</u>	<u>-</u>
<b>DEFERRED INCOME TAXES ARISING FROM LEVERAGED LEASES</b>	<u>41,227</u>	<u>-</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock:		
Preferred stock	330,100	-
Class A common stock	55,010	(51,000)
Class B common stock	165,010	-
Additional paid-in capital	1,000	(131,301)
Retained earnings	1,929,409	(494,120)
	<u>2,480,529</u>	<u>(676,421)</u>
Less cost of 3,617 shares of Class B common stock acquired for the treasury	<u>214,741</u>	<u>-</u>
	<u>2,265,788</u>	<u>(676,421)</u>
	<u>\$ 8,281,158</u>	<u>\$(5,940,619)</u>
	=====	=====

Empire Builders & Contract- ors, Inc.	Empire Equipment Leasing, Inc.	Elk Transporta- tion, Inc.	Empire Realty, Inc.	Empire Wrecking Co. Of Reading, PA	Empire Wrecking Of Delaware Co., Inc.	O'Neill Financial, Inc.
\$ -	\$ -	\$ -	\$ -	\$ 875,000	\$ -	\$ -
-	298,820	-	29,552	172,127	-	208,333
669,104	-	66,549	-	1,135,351	-	-
835,984	336,000	604,381	431,908	1,980,629	85,560	989,736
-	-	-	-	112,996	-	-
-	-	-	-	71,446	-	-
6,450	-	-	5,546	43,832	-	3,084
12,875	-	-	15,019	-	-	-
<u>1,524,413</u>	<u>634,820</u>	<u>670,930</u>	<u>482,025</u>	<u>4,391,381</u>	<u>85,560</u>	<u>1,201,153</u>
-	227,000	-	193,810	535,582	-	1,291,667
-	-	-	-	41,227	-	-
-	-	-	-	-	-	330,100
1,000	1,000	1,000	1,000	46,000	1,000	55,010
-	-	-	-	-	-	165,010
-	-	-	121,301	10,000	-	1,000
240,061	(20)	(211,921)	59,001	954,940	315,097	1,066,371
<u>241,061</u>	<u>980</u>	<u>(210,921)</u>	<u>181,302</u>	<u>1,010,940</u>	<u>316,097</u>	<u>1,617,491</u>
-	-	-	-	-	-	214,741
<u>241,061</u>	<u>980</u>	<u>(210,921)</u>	<u>181,302</u>	<u>1,010,940</u>	<u>316,097</u>	<u>1,402,750</u>
<u>\$ 1,765,474</u>	<u>\$ 862,800</u>	<u>\$ 460,009</u>	<u>\$ 857,137</u>	<u>\$ 5,979,130</u>	<u>\$ 401,657</u>	<u>\$ 3,895,570</u>

## STATEMENTS OF INCOME, BY COMPANY

October 31, 1992

See Accountant's Report

	<u>Consolidated</u>	<u>Eliminations And Adjustments</u>
Revenues earned	\$ 15,724,855	\$ (430,312)
Cost of earned revenues	<u>13,990,501</u>	<u>(858,884)</u>
Gross profit	1,734,354	428,572
Other operating revenues, rental income, net of expenses	<u>105,319</u>	<u>(437,072)</u>
	1,839,673	(8,500)
Operating expenses	<u>2,158,221</u>	<u>(8,500)</u>
Operating income (loss)	<u>(318,548)</u>	<u>-</u>
Nonoperating income (expense):		
Interest expense	(249,898)	-
Royalty income (expense)	-	-
Dividend income	-	(295,000)
Gain on sale of assets	9,248	-
Equity in income (losses) of partnerships and joint ventures	113,990	-
Other income (expense)	<u>(11,728)</u>	<u>-</u>
	<u>(138,388)</u>	<u>(295,000)</u>
Income (loss) before income taxes (credits)	(456,936)	(295,000)
Provision for income taxes (credits)	<u>34,373</u>	<u>-</u>
Net income (loss)	<u>\$ (491,309)</u>	<u>\$ (295,000)</u>
	=====	=====

Empire Builders & Contrac- tors, Inc.	Empire Equipment Leasing, Inc.	Elk Transporta- tion, Inc.	Empire Realty, Inc.	Empire Wrecking Co. Of Reading, PA	Empire Wrecking Of Delaware Co., Inc.	O'Neill Financial, Inc.
\$ 5,815,444	\$ -	\$ 554,095	\$ -	\$ 9,785,628	\$ -	\$ -
5,552,326	-	489,139	-	8,807,920	-	-
263,118	-	64,956	-	977,708	-	-
-	428,572	-	72,424	41,395	-	-
263,118	428,572	64,956	72,424	1,019,103	-	-
116,732	357,152	276,877	10,191	1,390,181	2,394	13,194
146,386	71,420	(211,921)	62,233	(371,078)	(2,394)	(13,194)
-	(50,191)	-	(39,115)	(160,592)	-	-
-	-	-	-	(330,673)	330,673	-
-	-	-	-	-	-	295,000
-	-	-	-	9,248	-	-
-	-	-	117,521	67,260	-	(70,791)
23,047	(22,000)	-	93	197,579	-	(210,447)
23,047	(72,191)	-	78,499	(217,178)	330,673	13,762
169,433	(771)	(211,921)	140,732	(588,256)	328,279	568
20,755	-	-	17,239	(3,691)	-	70
\$ 148,678	\$ (771)	\$ (211,921)	\$ 123,493	\$ (584,565)	\$ 328,279	\$ 498

STATEMENTS OF RETAINED EARNINGS, BY COMPANY  
 Year Ended October 31, 1992  
 See Accountant's Report

	<u>Consolidated</u>	<u>Eliminations And Adjustments</u>
Balance, beginning	\$ 2,445,476	\$ (494,120)
Net income (loss)	(491,309)	(295,000)
Dividends	<u>(24,758)</u>	<u>295,000</u>
Balance, ending	\$ 1,929,409	\$ (494,120)
	=====	=====

Empire Builders & Contract- ors, Inc.	Empire Equipment Leasing, Inc.	Elk Transporta- tion, Inc.	Empire Realty, Inc.	Empire Wrecking Co. Of Reading, PA	Empire Wrecking Of Delaware Co., Inc.	O'Neill Financial, Inc.
\$ 91,383	\$ 751	\$ -	\$ (64,492)	\$ 1,539,505	\$ 281,818	\$ 1,090,631
148,678	(771)	(211,921)	123,493	(584,565)	328,279	498
-	-	-	-	-	(295,000)	(24,758)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 240,061	\$ (20)	\$ (211,921)	\$ 59,001	\$ 954,940	\$ 315,097	\$ 1,066,371
=====	=====	=====	=====	=====	=====	=====

STATEMENTS OF CASH FLOWS, BY COMPANY  
Year Ended October 31, 1992  
See Accountant's Report

	<u>Consolidated</u>	<u>Eliminations And Adjustments</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (491,309)	\$ (295,000)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	694,120	-
Equity in (income) losses of partnerships and joint ventures	(113,990)	-
Gain on sale of assets	(9,248)	-
Deferred income taxes	(25,210)	-
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(355,986)	-
Costs and estimated earnings in excess of billings on uncompleted contracts	(418,263)	-
Real estate development in progress	(1,013,506)	-
Prepaid income taxes	60,092	-
Other assets	5,030	-
Increase (decrease) in:		
Accounts payable	907,064	-
Billings in excess of costs and estimated earnings on uncompleted contracts	(281,847)	-
Accrued expenses	(250,775)	-
Income taxes payable	(220,543)	-
Intercompany payable/receivable	-	-
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(1,514,371)	(295,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of assets	39,248	-
Rentals received from leveraged leases	11,373	-
Purchase of land held for resale	(39,882)	-
Distributions received from (capital contributions to) subsidiaries, partnerships and joint ventures	81,160	1,000
Purchase of property and equipment	(204,608)	-
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(112,709)	1,000

<u>Empire Builders &amp; Contractors, Inc.</u>	<u>Empire Equipment Leasing, Inc.</u>	<u>Elk Transportation, Inc.</u>	<u>Empire Realty, Inc.</u>	<u>Empire Wrecking Co. Of Reading, PA</u>	<u>Empire Wrecking Of Delaware Co., Inc.</u>	<u>O'Neill Financial, Inc.</u>
\$ 148,678	\$ (771)	\$ (211,921)	\$ 123,493	\$ (584,565)	\$ 328,279	\$ 498
1,597	357,110	110,191	11,307	213,915	-	-
-	-	-	(117,521)	(67,260)	-	70,791
-	-	-	-	(9,248)	-	-
-	-	-	-	(25,210)	-	-
(353,946)	-	(239,446)	-	253,306	-	(15,900)
-	-	-	-	(418,263)	-	-
(653,242)	-	-	-	(360,264)	-	-
-	(420)	(300)	-	65,565	-	(4,753)
-	-	-	-	5,030	-	-
351,528	-	66,549	-	489,988	-	(1,001)
(44,702)	-	-	-	(237,145)	-	-
(31,653)	(35)	-	2,885	(208,316)	-	(13,656)
(37,084)	(133)	-	2,135	(39,569)	(144,842)	(1,050)
668,586	(37,867)	384,245	(102,573)	(11,318)	109,169	(1,010,242)
<u>49,762</u>	<u>317,884</u>	<u>109,318</u>	<u>(80,274)</u>	<u>(933,354)</u>	<u>292,606</u>	<u>(975,313)</u>
-	-	-	-	39,248	-	-
-	-	-	-	11,373	-	-
-	-	-	(10,263)	(29,619)	-	-
-	-	-	117,521	(36,361)	-	(1,000)
(3,220)	-	(106,616)	-	(94,772)	-	-
<u>(3,220)</u>	<u>-</u>	<u>(106,616)</u>	<u>107,258</u>	<u>(110,131)</u>	<u>-</u>	<u>(1,000)</u>

STATEMENTS OF CASH FLOWS, BY COMPANY (CONTINUED)  
 Year Ended October 31, 1992  
 See Accountant's Report

	<u>Consolidated</u>	<u>Eliminations And Adjustments</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowings on revolving credit agreements	\$ 875,000	\$ -
Proceeds from long-term borrowings	1,788,853	-
Principal payments on long-term borrowings	(1,044,509)	-
Cash dividends paid	(24,758)	295,000
Proceeds from sale of common stock	-	(1,000)
	<u>1,594,586</u>	<u>294,000</u>
Net cash provided by (used in) financing activities		
	(32,494)	-
<b>Cash:</b>		
Beginning	<u>138,890</u>	<u>-</u>
Ending	<u>\$ 106,396</u>	<u>\$ -</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash payments for:		
Interest	<u>\$ 249,898</u>	<u>\$ -</u>
Income taxes	<u>\$ 221,980</u>	<u>\$ -</u>

Empire Builders & Contract- ors, Inc.	Empire Equipment Leasing, Inc.	Elk Transporta- tion, Inc.	Empire Realty, Inc.	Empire Wrecking Co. Of Reading, PA	Empire Wrecking Of Delaware Co., Inc.	O'Neill Financial, Inc.
\$ -	\$ -	\$ -	\$ -	\$ 875,000	\$ -	\$ -
-	500,000	-	-	288,853	-	1,000,000
-	(848,628)	-	(24,691)	(171,190)	-	-
-	-	-	-	-	(295,000)	(24,758)
-	-	1,000	-	-	-	-
-	(348,628)	1,000	(24,691)	992,663	(295,000)	975,242
46,542	(30,744)	3,702	2,293	(50,822)	(2,394)	(1,071)
4,105	30,777	-	310	96,671	5,951	1,076
\$ 50,647	\$ 33	\$ 3,702	\$ 2,603	\$ 45,849	\$ 3,557	\$ 5
=====	=====	=====	=====	=====	=====	=====
\$ -	\$ 50,191	\$ -	\$ 39,115	\$ 160,592	\$ -	\$ -
=====	=====	=====	=====	=====	=====	=====
\$ 19,880	\$ 420	\$ 300	\$ 2,038	\$ 194,522	\$ -	\$ 4,820
=====	=====	=====	=====	=====	=====	=====

CONTRACTS IN PROCESS  
October 31, 1992  
See Accountant's Report

Job #	Total Contract		From Inception To October 31, 1992			
	Revenue	Estimated Gross Profit	Revenue Earned	Total Costs Incurred	Costs Of Revenue	Gross Profit
104	\$ 271,200	\$ 42,338	\$ 241,575	\$ 203,862	\$ 203,862	\$ 37,713
153	945,518	(2,833)	945,518	948,351	948,351	(2,833)
213	600,000	90,000	204,119	173,500	173,500	30,619
234	253,818	62,200	241,861	182,590	182,590	59,271
243	204,011	27,137	203,890	176,769	176,769	27,121
246	40,640	7,184	40,640	33,456	33,456	7,184
319	118,800	2,709	118,800	116,091	116,091	2,709
339	189,000	(45,452)	178,574	221,519	221,519	(42,945)
345	50,141	11,738	44,470	34,059	34,059	10,411
352	196,000	39,465	142,065	113,460	113,460	28,605
367	351,091	108,465	282,621	195,308	195,308	87,313
371	53,331	14,404	38,392	28,023	28,023	10,369
375	16,711	4,507	8,676	6,336	6,336	2,340
381	77,000	22,000	41,886	29,919	29,919	11,967
383	10,636	1,131	10,636	9,505	9,505	1,131
388	90,044	50,664	41,224	18,029	18,029	23,195
389	27,587	14,404	18,608	8,892	8,892	9,716
395	99,806	27,449	82,226	59,612	59,612	22,614
396	82,282	16,282	47,634	38,208	38,208	9,426
398	110,858	32,684	96,099	67,767	67,767	28,332
399	22,337	(248)	20,093	20,316	20,316	(223)
408	78,312	29,157	59,506	37,351	37,351	22,155
423	25,715	8,951	3,650	2,379	2,379	1,271
	<u>\$ 3,914,838</u>	<u>\$ 564,336</u>	<u>\$ 3,112,763</u>	<u>\$ 2,725,302</u>	<u>\$ 2,725,302</u>	<u>\$ 387,461</u>
	=====	=====	=====	=====	=====	=====

Billed To Date	At October 31, 1992		Year Ended October 31, 1992		
	Costs And Estimated Earnings In Excess Of Billings	Billings In Excess Of Costs And Estimated Earnings	Revenue Earned	Costs Of Revenue	Gross Profit
\$ 207,060	\$ 34,515	\$ -	\$ 241,575	\$ 203,862	\$ 37,713
926,647	18,871	-	239,789	355,539	(115,750)
173,500	30,619	-	169,598	145,883	23,715
245,382	-	3,521	241,861	182,590	59,271
209,692	-	5,802	203,890	176,769	27,121
42,710	-	2,070	40,640	33,456	7,184
-	118,800	-	118,800	116,091	2,709
-	178,574	-	178,574	221,519	(42,945)
50,141	-	5,671	44,470	34,059	10,411
70,000	72,065	-	142,065	113,460	28,605
308,802	-	26,181	282,621	195,308	87,313
51,708	-	13,316	38,392	28,023	10,369
-	8,676	-	8,676	6,336	2,340
43,540	-	1,654	41,886	29,919	11,967
3,526	7,110	-	10,636	9,505	1,131
19,745	21,479	-	41,224	18,029	23,195
10,945	7,663	-	18,608	8,892	9,716
57,056	25,170	-	82,226	59,612	22,614
41,186	6,448	-	47,634	38,208	9,426
108,338	-	12,239	96,099	67,767	28,332
21,085	-	992	20,093	20,316	(223)
-	59,506	-	59,506	37,351	22,155
-	3,650	-	3,650	2,379	1,271
<u>\$ 2,591,063</u>	<u>\$ 593,146</u>	<u>\$ 71,446</u>	<u>\$ 2,372,513</u>	<u>\$ 2,104,873</u>	<u>\$ 267,640</u>



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

February 9, 1994

THOMAS P BROGAN  
PO BOX 1778  
HARRISBURG PA 17105

In re: A-00108448, F. 1, Am-C - Application of Empire  
Wrecking Company of Reading, Pennsylvania.

Dear Mr. Brogan:

We have received the verified statements filed in the above  
referenced proceeding.

The record will be reviewed and will be put before the Commission  
for its decision. You will be notified of the Commission's action.

Very truly yours,

By Gale E. Travitz  
For Peter S. Marzolf, Supervisor  
Technical Review Section  
Bureau of Transportation

GET:lg

