

VERIFIED STATEMENT OF APPLICANT

THE FOLLOWING INFORMATION IS REQUIRED BY THE COMMISSION TO DETERMINE THE APPLICANT'S FITNESS TO OPERATE. STATEMENTS SHOULD BE TYPED OR PRINTED. ILLEGIBLE STATEMENTS WILL DELAY YOUR APPLICATION.

A-2016-2562858

PUC Application Docket No.

CD LOSCO LLC

Legal Name of Applicant

College Hunks Hauling Junk & Moving

Trade Name, if any

2880 Bergey Rd STE E

Street Address (principal place of business)

HOTFIELD

City or Municipality

PA

State

19440

Zip Code

The Verified Statement of the Applicant is more or less a business plan, or your proposal for providing the transportation service for which you are making application. Prior to deciding to make application for operating authority from the Public Utility Commission, you likely gave much consideration to the manner in which you would operate the business in order that you could provide satisfactory service to your customers and so that you could make a reasonable profit. As part of the application process, you must provide the Commission with your proposal to provide the transportation service.

At minimum, the Verified Statement of the Applicant should include a discussion of the numbered items listed below and on the following pages. You are encouraged to provide as much information as possible about the particular subject as is necessary to fully explain your plan. If you fail to provide sufficient information about the subjects listed below, it may cause the review of your application to be delayed until you provide the necessary information. If you need more space to provide your explanation, please attach additional pages that list the appropriate item by number.

1. Identify the person making the Verified Statement on behalf of the applicant. If the applicant is a sole proprietor making the statement, this will be the same information as provided above. If an employee/officer of applicant is making the statement, give name, title, business address and telephone number, and indicate that the applicant's directors/owners/partners/etc. have authorized the witness to speak for the business.

See ATTACHED

2. List the applicant's affiliation (owner, manager, controls) with any other carrier, with the description of affiliation.

See ATTACHED

3. Describe your business experience, particularly any experience relating to the operation of a transportation service. You may also include an explanation of education or training that you believe may be relevant.

See ATTACHED

4. Describe your facilities, record maintenance plan and your communication network. Please include a description of your physical location, to include the office area, office machines that will be utilized, and the facility to house vehicles. Household goods in use carriers should include a description of their storage facilities, if applicable. Please include an explanation of your plan to maintain records required by the PUC, as well as normal business records. In regard to your communication network, please explain how you will receive customer requests for transportation, how you will dispatch the vehicles to fulfill the request, and how you will maintain continuous communication with your drivers. Finally, please state your intended business hours.

See ATTACHED

5. Please state the number of employees you intend to use, along with a description of their duties. Please explain why that number of employees is appropriate to provide reasonable and efficient service to the geographical territory you will be serving. **(Do not address drivers in your explanation about this item; drivers are addressed separately in item # 6).**

See ATTACHED

6. Please state the number of drivers you intend to use or hire in your business and explain why that number of drivers is appropriate for the size of the geographical territory you will be serving. In addition, please explain:
 - a. Your hiring standards for drivers;
 - b. Your system to ensure prospective drivers will be subject to a criminal background check;
 - c. Your driver training program;
 - d. Your system for ensuring that your drivers are properly licensed at all times;
 - e. Your system to ensure that all drivers will be subject to a criminal background check every two years;
 - f. Your policies regarding alcohol and drug use by your drivers.

See ATTACHED

7. Please state the number of vehicles you plan to use in your business and why that number is appropriate to provide reasonable and efficient service to the geographical territory you will be serving. If you have already obtained vehicles for your business, please list them in the chart below.

See ATTACHED

<u>YEAR</u>	<u>MAKE</u>	<u>MODEL</u>	<u>SEATING CAPACITY</u>	<u>VEHICLE ID #</u>

8. Describe your vehicle safety program. Please include the following in your explanation:
- Your periodic vehicle maintenance plan;
 - Your system for ensuring your vehicles will continuously comply with Pennsylvania's equipment standards (67 Pa. Code, Chapter 175) that are applicable to the type of vehicles used in your business;
 - Your system for ensuring your vehicles will maintain compliance with the PUC's requirements for passenger service at 52 Pa. Code, Section 29.403 (applicable to passenger applicants only);
 - If applying for taxi authority, your system for replacing vehicles once they are greater than ten model years in age or with mileage greater than 350,000 in compliance with 52 Pa. Code, Section 29.314(c);
 - If applying for limousine authority, your system for replacing vehicles once have mileage greater than 350,000 in compliance with 52 Pa. Code, Section 29.333(d);
 - If applying for household goods in use authority, your system for ensuring your vehicles will comply with the requirements of 49 CFR Parts 393 and 396, as adopted by the PUC at 52 Pa. Code, Chapter 37.

See ATTACHED

9. Please explain what steps you have taken to determine if you can obtain and pay the premiums to maintain insurance coverage for the proposed number of vehicles for your business.

See ATTACHED

10. Please describe your customer service standards. Within your description, please explain:
- Your plan to inform customers of the procedures for filing complaints with the PUC;
 - Your intended customer complaint resolution procedure.

See ATTACHED

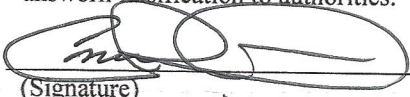
11. Criminal Record. Have you been convicted of a misdemeanor or felony for which you remain subject to supervision by a court or correctional institution?

____ YES ~~____~~ NO

12. Financial Data. In addition to demonstrating your technical fitness, you must also demonstrate that you possess the financial fitness to provide the proposed transportation service. Therefore you must complete both parts of the "Statement of Financial Position", which follows this page. The first part is the Balance Sheet. You need only provide the applicable information. The second part of the Statement of Financial Position is the Projected Income Statement. The projection is your estimation of expected revenues and specific expenses for one year. You should use the projected information, along with the financial data reported on your balance sheet to help you determine if proposed business can be feasible. Please feel free to also provide clarification information with your "Statement of Financial Position", which explains why you believe you have sufficient funds to ensure your transportation business can provide reliable service to the public in a safe manner.

Verification of Statement

The undersigned deposes and says that he/she is authorized to and does make this verification and that the facts set forth therein are true and correct to the best of his/her knowledge, information, and belief. The undersigned understands that false statements herein are made subject to penalties of 18 Pa. C. S. Section 4904 relating to unsworn falsification to authorities.



(Signature)

MANAGING DIRECTOR
(Name and Title, printed or typed)

11/4/16

(Date)

Statement of Financial Position (Balance Sheet)

As of (date) _____

ASSETS

See ATTACHED

Current Assets

Cash

Accounts Receivable

Notes Receivable

Other Current Assets (specify)

Total Current Assets

Tangible Assets

Motor Vehicle Equipment

Less: Accumulated Depreciation

-

Building and Structures

Less: Accumulated Depreciation

-

Office Equipment

Less: Accumulated Depreciation

-

Land

Investments and Funds (specify)

Intangible Assets

Other Assets (advances and idle equipment – specify)

TOTAL ASSETS

LIABILITIES

Current Liabilities (Due within one year of date)

Accounts Payable

Notes Payable

Equipment Obligations

Other Liabilities (Attach schedule)

Total Current Liabilities

Long Term Liabilities (Due after one year of date)

Accounts Payable

Notes Payable

Equipment Obligations

Other Liabilities (Attach Schedule)

Total Long Term Liabilities

TOTAL LIABILITIES

NET WORTH (Partnerships and individuals, only)

OWNER'S EQUITY (Corporations only)

Capital Stock

Additional Paid-in Capital

Retained Earnings

Less: Treasury Stock

Total Owner's Equity

TOTAL LIABILITIES & OWNER'S EQUITY

STATEMENT OF FINANCIAL POSITION
One Year Projected Income Statement

See ATTACHED

REVENUE and GAINS

- Operating Revenue
- Net Revenue from non-carrier operations
- Dividend and interest revenues
- Other non-operating revenue
- Gains
- Total Revenue and Gains

EXPENSES

- Equipment Maintenance and Garage Expense
- Insurance Expense
- Employee Salaries
- Supervisory Salaries
- Officer Salaries
- Fuel Expense
- Purchased Transportation (Lease Expense)
- Materials and Supplies Expense
- General Office Expense
- Advertising Expense
- Telephone Expense
- Accounting Expense
- Legal Expense
- Uncollectible Revenue
- Depreciation Expense
- Amortization
- Operating Taxes and Licenses
- Rent Expense
- Loss
- Total Operating Expenses and Losses

Net Income Before Taxes

Provision for Income Taxes

Net Income (Loss)

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Legal Name of Applicant

College Hunks Hauling Junk and Moving

Trade Name

2880 Bergey Rd STE E, Hatfield PA 19440

Street Address, City, State, Zip

1. My name is Cosmo D. Losco and I am the sole proprietor of CD Losco LLC. Our Trade Name is College Hunks Hauling Junk and Moving. We have been in operation since April of 2015. College Hunks Hauling Junk and Moving is a national company, with 80+ franchises throughout the US and Canada. The company has been in existence for 11 years and is based in Tampa Fla.
2. There are 4 College Hunks franchises in PA. The West Chester, PA franchise received their license to transport in Spring, 2015. My franchise location would be the second to be licensed in the state.
 - College Hunks Hauling Junk and Moving – West Chester PA – Mike Ort, Owner
 - We are all independent operators that own territories based on zip codes and population.
3. We have been in business for 18 months, as a junk hauling service, so handling customer product is a daily occurrence. We also offer labor services including assisting customers with packing and loading/unloading of their rented vehicles. Obviously, all state and local requirements have been met prior to the opening of the business.

The Franchise offers one full week of “hands on” training, plus video training with validation questions to verify comprehension. Each team member will need to review and must pass the video training prior to going out into the field. From there it is all hands on field experience with a mentor (our truck captains serve as our mentors).

4. We have 1500 sq. feet of space w/2 offices (roughly 350 sq. ft). Balance of the space is warehouse space used for junk item storage and staging of inventory (separating scrap metal, electronics, etc.) and goods to be donated. We currently have (2) junk trucks and (1) 15’ box truck. We will purchase a new 20’ box, once we are approved for full service moves.

We will not be storing customer goods so storage is not applicable.

Each truck has its' own file for maintenance records etc. The trucks are serviced at each 7500 mile increment. Standard maintenance checks are completed bi-weekly to check oil, tire pressure and other fluids.

Trucks are parked directly outside of our facility. Tools, dollies, hand trucks are signed back in at the end of the day and trucks are locked for the night.

The company has a national call center which handles most of our bookings. They have access to each franchise location's truck schedule to book both jobs and estimates during open availability. Any conflicts or special requests are forwarded directly to the specific franchise location to be handled directly with the customer. The schedules are set and controlled by each location based on inventory of trucks and any variables that are required to maintain an accurate schedule.

Work Orders are printed with all the necessary customer contact information and job requirements. Truck teams are dispatched with assigned work orders and they are responsible for the communication and execution of the work content. Any issues and concerns are communicated back to the Operations Manager for resolution. Each truck has its own iPad, to view schedule, coordinate/find location and collect customer payment. The truck teams use their cell phones to communicate with Dispatch and the customer. Any changes to a work order are sent real time via text to each Truck Captain.

Our hours are 8am to 6pm, Monday through Saturday. We will work Sunday, start earlier than 8am or extend past 6pm, on an as needed basis, to accommodate a customer requirement.

5. We currently have 15 truck employees and 1 administrative (plus me and my wife). Of the 15, 10 are college students and 5 employees have full availability. We schedule them between 10-30 hours per week. This staffing is based on our current business model and will need adjustment when we become a full service moving business. We expect to add 5-10 additional employees during busy season.

We will run 2-3 trucks a day, completing 4-10 jobs daily. Our current headcount allows us flexibility with school schedules, vacations, needed time off, keeping most employees under 30 hours. Keeping them under 30 hours keeps them fresh and motivated, while reducing turnover. It is a physical job, especially in the summer and too many hours increases opportunity for mistakes.

Job Responsibilities:

- Personal discipline – College H.U.N.K.S. is an acronym for honest, uniformed, nice, knowledgeable service. Our employees are expected to uphold this daily.
- Keep track of and maintain order for all truck contents – tools, dollies, supplies required for the day's work
- Navigator and assistant to the driver
- Work hard and smart to safely move items from clients' homes, offices and buildings to their destinations
- Assist the driver by being a spotter for difficult truck maneuvers and backing up, complete paperwork and navigate to and from job sites

- Perform required marketing activities
- Clean truck at the end of the day
- Complete Daily Checklist

6. Drivers are in the headcount stated above. We currently have 5 drivers (we call Truck Captains) to operate our current fleet. We will add/certify 3-5 additional drivers when we are approved for full service moves.

We will run 2-3 trucks a day, completing 4-10 jobs daily. Our current headcount allows us flexibility with school schedules, vacations, needed time off, keeping most employees under 30 hours. Keeping them under 30 hours keeps them fresh and motivated, while reducing turnover. It is a physical job, especially in the summer and too many hours increases opportunity for mistakes.

Our hiring standards are the same for all of our employees:

- Valid driver's license
- Criminal Background check is completed through our 3rd party HR resource, Hireology. Any violations are reviewed and discussed with the applicant. Decision to hire is based on a case by case situation.
- MVR is completed through our 3rd party HR resource, Hireology. Decision to hire are based on a case by case situation.
- We do not currently require a pre-employment drug screen. We will require a drug/alcohol screen on injury, accident or reasonable cause.
- Ability to pick up a minimum of 50lbs and physically capable of doing the job

Drivers (Captains) Training:

- All employees go through 2 hours of video training with interactive testing after each model to validate comprehension. Includes:
 - Generic company training which give the history of the company and corporate expectations
 - Positional responsibility training
 - Technical training for both moving and junk removal
 - Tools of the trade training for both moving and removal
 - Field "hands on" training mentored by the Truck Captain
- Drivers (Captains) will go through some basic navigational testing to assure their ability to handle the vehicle. If the applicant has a CDL, the testing is waived.

CD Losco LLC will run MVR's annually on all employees and criminal background checks bi-annually.

7. We currently have 3 vehicles and will add a 20' Box, once we are approved for full service moves. Additional vehicles will be added when business and growth dictate. Any truck constraints until then will be handled with rental vehicles.

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Seating Capacity</u>	<u>Vehicle ID</u>
2006	Isuzu	NPRHD	3	4KLC4B1UX6J801536
2015	Isuzu	NPREFI	3	54DC4W1B4FS804153
2012	Isuzu	NPREFI	3	54DC4W1C4GS802817

8. Vehicle Safety Program

- a. Our vehicles are brought in for service every 7500 miles
- b. Our vehicles are required to have yearly inspections and emissions testing
- c. NA
- d. NA
- e. NA
- f. Each truck is equipped with an emergency reflector kit. We do bi-weekly checks on fluids, oils, light checks and tire pressure.

9. We have been in operation for 19 months and are cash positive. We have been operating with \$30K-\$40k of cash in our bank account. The additional truck (w/Moving license) will improve our position by adding revenue opportunities to improve our company's growth potential.

10. Customer Service is our business. We will contact the customer at the time of the booking. We will follow up the day before the job, to see if there are any changes to the scope or need. We will review all process and system procedures at the estimate stage. If the customer books online, we will discuss prior to service and on the day of the job. All claims are entered/logged into our corporate computer system. Notifications come through email, along with reminders and delinquencies. The system will continue to follow up until resolution.

CHHJ - Bucks County, PA

BALANCE SHEET

As of November 4, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
PNC Business Checking (XXXXXX 1934)	41,924.73
Total Bank Accounts	\$41,924.73
Accounts Receivable	
Accounts Receivable	115.00
Total Accounts Receivable	\$115.00
Total Current Assets	\$42,039.73
Fixed Assets	
Accumulated Amortization	-9,897.00
Accumulated Depreciation	-15,450.00
Office Equipment	1,541.16
Vehicles	75,708.00
Total Fixed Assets	\$51,902.16
Other Assets	
Deposit	7,000.00
Franchise Cost	67,000.00
Organization Costs	16,859.00
Total Other Assets	\$90,859.00
TOTAL ASSETS	\$184,800.89
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	0.00
Total Accounts Payable	\$0.00
Total Current Liabilities	\$0.00
Long-Term Liabilities	
Note Payable - Ally	38,538.02
Notes Payable - Ally 2	58,487.99
Notes Payable Celtic Bank	66,275.13
NP-Hitachi	3,521.18
Wells Fargo - LOC	116,000.00
Total Long-Term Liabilities	\$282,822.32
Total Liabilities	\$282,822.32
Equity	
Capital Contributions - C. Losco	9,949.74
Opening Balance Equity	-66,283.78
Owner's Draw	-10,000.00
Retained Earnings	-56,037.32
Net Income	24,349.93

	TOTAL
Total Equity	\$ -98,021.43
TOTAL LIABILITIES AND EQUITY	\$184,800.89

CHHJ - Bucks County, PA

PROFIT AND LOSS

January 1 - November 4, 2016

	TOTAL
INCOME	
Junk Removal Revenue	428,954.09
Moving Revenue	115.00
Sales of Product Income	5,992.00
Total Income	\$435,061.09
COST OF GOODS SOLD	
Credit Card Fees	6,267.16
Disposal Fees	46,520.06
Franchise Expenses	
Ad Fund	1,188.13
Brand Development Fund	3,154.37
CLC Booking Fee	13,588.10
CLC Flat Fee	9,931.36
Pickup My Donation Fee	650.00
Royalty	29,360.31
Total Franchise Expenses	57,872.27
HUNK Labor	-466.62
Direct Salaries - Junk Removal	93,454.46
Total HUNK Labor	92,987.84
Moving, Packing Supplies	4,602.88
Tolls	1,010.60
Truck Fuel	13,901.10
Truck Rental	1,587.29
Total Cost of Goods Sold	\$224,749.20
GROSS PROFIT	\$210,311.89
EXPENSES	
Administrative Services	
Admin Assistance	342.00
Payroll Processing Fees	3,135.24
Total Administrative Services	3,477.24
Auto	
Tolls	31.00
Total Auto	31.00
Indirect Labor	
Regular Wages	5,690.57
Total Indirect Labor	5,690.57
Insurance Expense	
Auto Insurance	12,076.40
Liability Insurance	2,486.00
Worker's Compensation	12,768.30
Total Insurance Expense	27,330.70
Legal & Professional Fees	

	TOTAL
Accounting	500.00
HR/Payroll	956.40
Legal	26.00
Quickbooks Fee	147.20
Vehicle Compliance	746.00
Total Legal & Professional Fees	2,375.60
Marketing	
Collateral	5,709.30
Direct Mail	166.60
Internet Marketing	
Bing	1,324.79
Facebook	183.40
Google	13,000.00
Yext - Annual Subscription	349.00
Total Internet Marketing	14,857.19
Lead Generation	624.00
Home Advisor	3,674.89
Qiigo	2,555.40
Thumbtack	64.98
Yelp	1,485.00
Total Lead Generation	8,404.27
Networking Fees	3,233.10
Print Advertising	5,760.33
Public Events	2,799.50
Ref Partner Appreciation	165.00
Referral Partner Appreciation	147.83
Total Marketing	41,243.12
Office Expenses	12.20
Equipment - Printer, Copier	2,500.00
General/Supplies	7,800.87
Postage & Shipping	668.14
Rent	10,338.33
Team Rewards, Recruiting, Culture	724.91
Total Office Expenses	22,044.45
Promotions	17,609.69
Recruiting	420.00
Repair & Maintenance	
Job Related	1,441.42
Truck Maintenance	10,498.46
Total Repair & Maintenance	11,939.88
Reunion	283.34
Supplies & Materials	24.19
Taxes & Licenses	
Payroll Taxes	14,678.14
Federal & State Tax	2,772.96
Local Tax	1,725.00
Total Payroll Taxes	19,176.10
Total Taxes & Licenses	19,176.10
Utilities	

	TOTAL
Gas/Power	1,720.52
Internet/Phone	5,317.87
Total Utilities	7,038.39
Total Expenses	\$158,684.27
NET OPERATING INCOME	\$51,627.62
OTHER EXPENSES	
Meals & Entertainment	1,092.93
Owner Draw/Salary	13,000.00
Owner Health Insurance	12,025.40
Travel Expenses	1,159.36
Total Other Expenses	\$27,277.69
NET OTHER INCOME	\$ -27,277.69
NET INCOME	\$24,349.93