

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-2017-2633049			
PUC Application Docket No.			
Coordinated Transportation Solutions, Inc.			
Legal Name of Applicant			
Not applicable			
Trade Name, if any			
32 Nutmeg Drive	Trumbull	CT	06611
Street Address (principal place of business)	City or Municipality	State	Zip Code

The Verified Statement of the Applicant is a document used to support the applicant's claim that it possesses the fitness to provide safe and effective service. Prior to deciding to make application for operating authority from the Public Utility Commission, the applicant should have given much consideration to the manner in which it would operate the business in order that it could provide satisfactory service to the public. As part of the application process, the applicant must provide the Commission with evidentiary criteria in order that it can be determined that the applicant is fit to offer 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.

Please see the attached.

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

Please see the attached.

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

Please see the 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. 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. Finally, please state your intended business hours.

Please see the 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.

Please see the attached.

6. Please describe how you will ensure that transportation is being provided by motor carriers certificated by the Pennsylvania Public Utility Commission.

Please see the attached.

7. Please describe how you will ensure that the party paying for transportation will be charged in accordance with the motor carrier's official tariff on file with the Pennsylvania Public Utility Commission.

Please see the attached.

8. Licensed brokers are required to maintain a surety bond with a value of no less than \$10,000. While it is not necessary to obtain a surety bond at this time, please give the names of bonding companies you have contacted in preparation for obtaining a surety bond.

Please see the attached.

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

Please see the attached.

10. Criminal Record. State whether the applicant has been convicted of a misdemeanor or felony. If applicant is partnership, limited liability partnership, corporation, or limited liability company, this question applies to all members, officers, and/or shareholders. If "YES", explain.

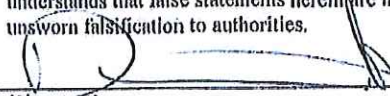
YES NO

11. 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. 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.

Please see the attached

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)

David White, President

(Name and Title, printed or typed)

12-19-17

(Date)

ATTACHMENT TO VERIFIED STATEMENT OF APPLICANT

I, David White, do hereby certify, swear, and affirm the following information is true and correct to the best of my knowledge, information, and belief.

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 the applicant's directors/owners/partners/etc. have authorized the witness to speak for the business.

RESPONSE: David White, President of Coordinated Transportation Solutions, Inc. ("CTS"), who has a business address of 32 Nutmeg Drive, Trumbull, Connecticut 06611 and whose business telephone number is (203) 736-8810 at extension 10102. I, David White, do hereby certify that I am authorized to make this verified statement on behalf of CTS.

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

RESPONSE: Other than the information listed above, none.

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

RESPONSE: Since 1997, CTS has managed/brokered non-emergency medical transportation and has provided mobility management services for government agencies, not-for-profits, managed care organizations, and other businesses throughout the country. In the course of its business, CTS provides services to the most fragile individuals in our communities. Its integrated services are designed to address unique transportation challenges posed by Medicaid, Medicare, and other programs serving at-risk populations in rural, suburban, and urban environments.

To accomplish this, CTS acts as the primary risk manager for its clients and coordinates all aspects of each trip through trip assignment. Additionally, CTS handles all reporting, quality assurance, and provider payments for its clients as well as ensures compliance with federal, state, and local regulations including conducting onsite inspections and desk audits.

CTS currently provides or has provided transportation provider network management services, call center operations, federal and state healthcare compliance reporting activities, quality assurance activities, IT systems and support, and risk management and finance services for clients in New Hampshire, Maine, Massachusetts, Connecticut, New York, and Georgia.

CTS has particularly extensive experience providing special needs transportation in the states of New York and Massachusetts on a statewide basis. Due to CTS' experience with navigating these specialized and complex transportation systems, CTS was recently contracted by the University of Pittsburgh Medical Center Health Plan ("UPMC Health Plan") to manage two (2) of its Medicaid/Medicare health insurance plans: Community Health Choices ("CHC") and a Special Needs Plan ("SNP") serving seniors. CTS was selected after a competitive procurement process due to its experience with coordinating statewide programs as UPMC Health Plan's CHC and SNP are intended to be statewide.

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. 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. Finally, please state your intended business hours.

RESPONSE: CTS' facility consists of a 16,000 square foot corporate headquarters and operations center located in Trumbull, Connecticut. The facility is served by a building-sized generator which provides an uninterrupted power supply in the event of an electrical outage. CTS' office machines include "thin client" workstations, a Voice Over IP Cloud-Based telecommunications system as well as on-site software systems for finance, human resources, administration, trip reservations, scheduling, transportation provider management (including an electronic portal to distribute trips to the network), compliance management, claims processing, and reporting as well as networking software and hardware.

In addition to the above, in compliance with the Pennsylvania Department of State's requirements, CTS has engaged the services of a Commercial Registered Office Provider (CROP) for purposes of legal service of process of Pennsylvania complaints and summons, whose information is as follows:

Northwest Registered Agent
1150 1st Avenue, Suite 511
King of Prussia, PA 19406
(610) 456-2133

CTS maintains its records both electronically on secure servers and in paper format. Paper records are contained in a secure, climate controlled facility. Pursuant to CTS' document retention policy, those records that are project specific are kept for a minimum of seven (7) years in both electronic and paper format.

CTS customers are able to access the company's transportation program via telephone, facsimile, or encrypted email. The call center hours are from 8:00 a.m. to 6:00 p.m. (Eastern Standard Time) Monday through Friday. After hours, weekend, and holiday hours are provided for urgent requests for service, making CTS available to its clients 24 hours a day, seven days a week, 365 days a year.

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 services to the geographical territory you'll be serving.

RESPONSE: For the current geographical territory CTS has been contracted to provide services for in the Commonwealth of Pennsylvania, CTS intends to utilize approximately thirty (30) customer service, compliance/quality assurance, finance, and IT staff. Additionally, CTS intends to staff two to three (2-3) provider relations specialists.

These employees will be in addition to CTS' current staff of approximately 100 employees located in multiple states who currently manage CTS' projects in New Hampshire, Massachusetts, Connecticut, and New York.

CTS staffing levels are determined by using estimated trip/call volumes and project administrative requirements provided by the client and through CTS' vast experience with projects of similar size and scope.

6. Please describe how you will ensure that transportation is being provided by motor carriers certificated by the Pennsylvania Public Utility Commission.

RESPONSE: All motor carriers utilized by CTS are contractually bound to the company. CTS' contracts with its motor carriers require each transportation provider to adhere to local, state, and federal rules and regulations for the type of service it provides. Required licenses are examined by CTS field staff as part of its credentialing protocols prior to contract execution. If the licenses required by local, state, and federal law are not produced, CTS will not contract with that motor carrier.

In addition to the above, routine as well as annual checks of motor carrier credentials are conducted by CTS' provider relations team to ensure all required licenses are kept current.

7. Please describe how you will ensure that the party paying for transportation will be charged in accordance with the motor carrier's official tariff on file with the Pennsylvania Public Utility Commission.

RESPONSE: CTS directly pays motor carriers for services provided pursuant to a contract between CTS and the carrier. CTS ensures that the negotiated rate never exceeds the motor carrier's official tariff on file with the relevant state authority. It will continue this practice when negotiating contracts with Pennsylvania motor carriers. As stated in more detail above, CTS has a contract with UPMC Health Plan to provide brokerage services for non-emergency medical transportation. CTS is paid for its services pursuant to its contract with UPMC Health Plan. UPMC Health Plan bills Medicare/Medicaid directly for the services CTS provides to members of the public covered by Medicare/Medicaid.

8. Licensed brokers are required to maintain a surety bond with a value of no less than \$10,000. While it is not necessary to obtain a surety bond at this time, please give the names of bonding companies you have contacted in preparation for obtaining a surety bond.

RESPONSE: A surety bond in the amount of \$10,000 has already been obtained. The bond was issued at Bond number 41383517 through Platte River Insurance Company located at 115 Glastonbury Boulevard, Glastonbury, CT 06033. It is effective October 11, 2017 and the Pennsylvania Public Utility Commission is listed as obligee. A true and correct copy of the bond was filed with CTS' application for broker of persons at docket number A-2017-2633049 and the original was sent to the Pennsylvania Public Utility Commission via Federal Express on November 9, 2017.

9. Please describe your customer service standards. Within your description, please explain:

- a. Your plan to inform customers of the procedures for filing complaints with the PUC;
- b. Your intended customer complaint resolution procedure.

RESPONSE: CTS agrees to follow the informal and formal complaint procedures detailed by the Pennsylvania Public Utilities Commission on its website, and will provide the Pennsylvania Public Utilities Commission's complaint procedures to its clients and transportation providers including the "Consumer Complaint Process Guide," and the "Know the PUC Complaint Process and Your Options" brochure, at the time of contract execution.

In addition, in an effort to provide top quality customer service, CTS clients and transportation providers can ask questions and/or file internal complaints with its customer service staff via telephone, facsimile, or email. CTS certifies it will make its best effort to resolve any legitimate internal complaints without need of involvement of the Pennsylvania PUC.

10. Criminal Record. State whether the applicant has been convicted of a misdemeanor or felony. If applicant is partnership, limited liability partnership, corporation, or limited liability company, this question applies to **all** members, officers, and/or shareholders.

RESPONSE: Neither CTS nor any of its members or officers have been convicted of a misdemeanor or a felony.

11. 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. 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.

RESPONSE: Please see the attached balance sheet for the twelve (12) months ended September 30, 2017 and the income statement report for the twelve (12) months ended September 30, 2017. In addition to this information, CTS submits that it is a 501(c)(3) not-for-profit corporation and as such, does not have information regarding net worth, or owner's equity.

In support of its demonstration of financial fitness, CTS states that it has been in operation for over a decade and currently provides services in four (4) states. It currently possesses over \$7 million in total assets and less than \$3 million in liabilities, making it a financially stable corporation.

Statement of Financial Position (Balance Sheet)

As of (date) 9/30/17

ASSETS

Current Assets		
Cash	<u>See attached</u>	
Accounts Receivable	<u>See attached</u>	
Notes Receivable	<u>See attached</u>	
Other Current Assets (specify)	<u>See attached</u>	
Total Current Assets		<u>See attached</u>
Tangible Assets	<u>See attached</u>	
Real Property	<u>See attached</u>	
Office Equipment	<u>See attached</u>	
Total Tangible Assets		<u>See attached</u>
Investments and Funds (specify)		<u>See attached</u>
Intangible Assets		<u>See attached</u>
Other Assets (advances and idle equipment – specify)		<u>See attached</u>
TOTAL ASSETS		<u>See attached</u>

LIABILITIES

Current Liabilities (Due within one year of date)		
Accounts Payable	<u>See attached</u>	
Notes Payable	<u>See attached</u>	
Other Liabilities (Attach schedule)	<u>See attached</u>	
Total Current Liabilities		<u>See attached</u>
Long Term Liabilities (Due after one year of date)		
Accounts Payable	<u>See attached</u>	
Notes Payable	<u>See attached</u>	
Other Liabilities (Attach Schedule)	<u>See attached</u>	
Total Long Term Liabilities		<u>See attached</u>
TOTAL LIABILITIES		<u>See attached</u>

NET WORTH (Partnerships and individuals, only) Not applicable

OWNER'S EQUITY (Corporations only)

Capital Stock		N/a - 501(c)(3)
Additional Paid-in Capital		N/a - 501(c)(3)
Retained Earnings	<u>N/a - 501(c)(3)</u>	
Less: Treasury Stock	- _____	= <u>N/a - 501(c)(3)</u>
Total Owner's Equity		<u>N/a - 501(c)(3)</u>

TOTAL LIABILITIES & OWNER'S EQUITY N/a - 501(c)(3)

**BALANCE SHEET FOR THE TWELVE (12) MONTHS ENDED
SEPTEMBER 30, 2017**

Coordinated Transportation Solutions, Inc.

Unaudited Balance Sheet

For the Twelve (12) Months Ended Sept 30, 2017

ASSETS

Current assets:	\$
Cash	1,028,921
Restricted Cash-Unemployment Trust Fund	58,603
Accounts Receivable, Net	5,686,463
Prepaid Expenses	127,432
	-
Total current assets	<u>6,901,418</u>
Property and Equipment	
Furniture and Fixtures	206,634
Equipment	7,221
Computer equipment	801,977
Leasehold Improvements	197,399
Equipment under capital lease	46,733
Software Development Cost (Tripspark)	<u>284,373</u>
	1,544,336
Less accumulated depreciation	<u>(643,591)</u>
Total Property and Equipment	<u>900,745</u>
Other assets:	
Loan Origination Fees, Net	4,165
Deposits	6,158
Deferred Compensation	<u>19,578</u>
Total Other Assets:	<u>29,901</u>
Total Assets	<u>7,832,065</u>

LIABILITY AND EQUITY

Current liabilities:	
Accounts Payable & Acc. Expenses	2,425,271
TD Line of Credit	
Other Current Liabilities, DECD Loan	<u>203,038</u>
Total current liabilities	<u>2,628,309</u>
Long term liabilities:	
Other Long Term Liabilities	<u>335,468</u>
Total Long term liabilities:	<u>335,468</u>
	<u>Net Assets</u>
Unrestricted	4,868,288
Total Net Assets	<u>4,868,288</u>
Total Liabilities and Net Assets	<u>7,832,065</u>

**INCOME STATEMENT FOR THE TWELVE (12) MONTHS
ENDED SEPTEMBER 30, 2017**

Coordinated Transportation Solutions, Inc

Unaudited Income Statement
For The Twelve (12) Months Ended Sept 30, 2017

	Year to Date Current Year
Revenue:	
Medicaid Contract 1	29,513
Medicaid Contract 2	13,032,704
Medicaid Contract 3	14,859,013
Medicaid Contract 4	7,289,342
Medicaid Contract 5	7,089,507
Worker's Comp. Brokerage	308,000
Special Ed Brokerage	2,413,520
Investment/Miscellaneous Income	8,483
Total Revenue	<u>44,007,089</u>
Cost of sales:	
Purchased Trans. - Medicaid Contract 1	24,768
Purchased Trans. - Medicaid Contract 2	11,803,880
Purchased Trans. - Medicaid Contract 3	13,207,037
Purchased Trans. - Medicaid Contract 4	9,007,011
Purchased Trans. - Medicaid Contract 5	4,337,313
Purchase Trans.-W. Comp.	188,282
Purchase Trans.-Spec. Ed	1,784,800
Total Cost of Sales	<u>37,453,200</u>
Gross Margin	<u>7,234,770</u>
Expenses:	
Saleses	9,088,734
Saleses - NHCC *	115,014
Benefits	260,709
Benefits NHCC	4,481
Benefit 403 B Matching	5,120
Staff Training	37,800
Staff Training - NHCC *	25,592
Payroll Tax Expense	227,415
Payroll Tax Expense - NHCC *	42,488
Temp Help	83,455
Payroll Service Fees	10,418
Marketing	16,180
Marketing - NHCC *	600
Equipment Rent	20,134
Equipment Rent - NHCC *	2,004
Travel Expense	82,887
Travel Expense - NHCC *	377
Conference Expense	1,087
Advertising	14,076
Meetings	17,825
Depreciation	169,270
Depreciation - NHCC *	24,200
Loss on Fixed Assets	19,148
Office Supplies	31,219
Office Supplies - NHCC *	8,881
Internet	2,164
Internet - NHCC	3,884
Property Taxes	13,880
Telephone Exp.	102,340
Telephone Exp. - NHCC *	11,170
Postage	12,889
Insurance	80,820
Perf Bond Fee	4,878.00
Dues and Subscriptions	17,128
Printing	28,132
Maintenance	277,759
Maintenance - NHCC	1,875
Occupancy - Trumbull	240,421
Occupancy - NHCC	45,882
Computer Consulting	94,287
Computer Consulting - NHCC *	2,924
Accounting Fees	10,488
Interpreter Services	10,532
Transportation Consulting	17,525
Legal Fees	10,224
Other Professional Services	124,203
Other Professional Services- NHCC *	2,491
Bad Debt Expense	8,000
Bank Fees	11,847
Interest Expense	42,042
Donations	10,384
Gifts	3,350
Employee Recognition	1,104
Employee Recognition NHCC	122
Total Expenses	<u>6,402,076</u>
Net Income	<u>1,831,803</u>