

**RECEIVED HOUSEHOLD GOODS CARRIER PERMIT APPLICATION**

SEP 24 2003

WASH. UT. & TP. COMM



Type of Household Goods Authority Requested – Check one	Fee Required
<input type="checkbox"/> Emergency temporary authority (to meet an urgent need for up to thirty days) - Complete pages 1 - 5 and Attachment E	\$ 50
<input type="checkbox"/> Temporary authority (to meet a short-term need) – Complete pages 1 - 5 and Attachment A	\$ 250
<input checked="" type="checkbox"/> Permanent authority (at least six months must be served on a temporary provisional basis) – Complete pages 1 - 5 and Attachment A	\$ 550
<input type="checkbox"/> Permanent authority to transfer or acquire control resulting in a change in ownership or controlling interest (at least six months must be served on a temporary provisional basis) – Complete pages 1 - 5 and Attachment B	\$ 550
<input checked="" type="checkbox"/> Permanent authority to transfer or acquire control under the exceptions in WAC 480-15-260 – Complete pages 1 - 5 and Attachments B & C	\$ 250
<input type="checkbox"/> Reinstatement of permit (must be filed within 30 or 60 days of cancellation, depending on criteria set forth in WAC 480-15-460) – Complete pages 1 - 2 and include a statement justifying the reinstatement	\$ 250
<input type="checkbox"/> Name Change – Complete page 1 and Attachment D	\$ 35
<input type="checkbox"/> Extension of authority – Complete pages 1 - 5 and Attachment A	\$ 550

**TYPE OF PAYMENT**

Check     Money Order     Amex     Discover     Mastercard     Visa

Expiration Date: \_\_\_\_\_ Amount: \_\_\_\_\_

CERTIFICATION: I, the undersigned, under penalty for false statement, certify that the following information is true and correct, that I am authorized to execute and file this document on behalf of the applicant, and that all information on file is current and valid.

Name (printed): LINDA NEUMANN Date: 8/29/03

Signature: Linda Neumann Title: VICE PRESIDENT, MIS

**FOR OFFICIAL USE ONLY**

Date Filed: <u>9/24/03</u>	Application #: <u>P-79220</u>	Motcar: <u>4927</u>	Permit Issued: HG-
Staff Assigned: <u>[Signature]</u>	Insurance: <u>[Signature]</u>	Inspection:	DOL/SOS: <u>[Signature]</u>
Reception #: <u>111-0268-207-02</u>	<u>550.00</u>	111-0268-202-01	111-0268-013-20

Denali Transportation Group

0000856

Need to refile PAGE 1  
\$300 fine  
done  
11/9/03

TV-031545

**BUSINESS INFORMATION**

Name of Applicant DENALI TRANSPORTATION CORPORATION  
(must be individual, partners of a partnership, or corporation)

Trade Name, if applicable PACIFIC MOVERS

Physical Address 18314 80TH PL S KENT, WA 98032

Mailing Address P.O. BOX 389666 SEATTLE, WA 98138-9666

Telephone Number (425) 496-2111 Fax Number (425) 496-2143

UBI # 601-235-894 DP Email: DNAL@AKFORWARD.COM

**TYPE OF BUSINESS STRUCTURE**

- Individual     Partnership     Corporation     Other \_\_\_\_\_  
(LP, LLP, LLC)

List the name, title, and percentage of partner's share or stock distribution for major stockholders:

<u>Name</u>	<u>Title</u>	<u>Stock Distribution or Percentage of Shares</u>
<u>WALTER P. SCHLOTFELDT</u>	<u>CEO</u>	<u>100%</u>

Choose one of the following for the territory in which you wish to operate:

- All counties in the State of Washington  
 The following named counties only: \_\_\_\_\_

Describe the services you wish to provide. Explain how your services will enhance customer choice, promote competition, or fill an unmet need for service: Denali's primary service is the moving & storage of household goods and local O & I moves. Denali offers quality service with years of experience in the moving industry.

Briefly describe your experience in the transportation/household goods moving industry:

Denali Transportation has been in the moving & storage business in Alaska since 1952. Denali opened its office in Washington in 1987. We are an agent for Wheaton Worldwide as well as providing local service for O & I and household goods moves.

Do you currently hold, or have you ever held, a permit to operate as a motor carrier of property?  
 No  Yes If yes, please indicate your permit number: HG001886

Have you ever applied for and been denied a permit to operate as a motor carrier of property?  
 No  Yes If yes, please explain: \_\_\_\_\_

Do you currently operate interstate?  No  Yes If yes, please indicate your:  
 DOT# 125045 MC# 118494 Single State Registration Base State WA  
*not registered w/ us - Alaska -*

Do you operate interstate as an agent of another company?  No  Yes If yes, what is the name of the company? Wheaton World Wide Moving

Do you have, or have you ever had a business related legal proceeding against you in Washington, or in any other state?  No  Yes If yes, please explain: \_\_\_\_\_

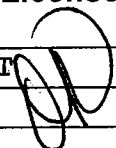
Have you ever been convicted of a Class A or B Felony?  No  Yes If yes, please explain: \_\_\_\_\_

Have you been cited for violation of state laws or Commission rules?  No  Yes If yes, please explain: \_\_\_\_\_

FINANCIAL STATEMENT SEE ATTACHED BALANCE SHEET <i>MD</i>			
You may attach a Balance Sheet, Profit and Loss Statement, or business plan if available			
ASSETS		LIABILITIES	
Cash in Bank	\$	Salaries/Wages Payable	\$
Notes Receivable	\$	Accounts Payable	\$
Accounts Receivable	\$	Notes Payable	\$
Investments	\$	Mortgages Payable	\$
Other Current Assets	\$	Other	\$
Prepaid Expenses	\$	<b>TOTAL LIABILITIES</b>	\$
Land and Buildings	\$	NET WORTH	
Trucks and Trailers	\$	Preferred Stock	\$
Office Furniture	\$	Common Stock	\$
Other Equipment	\$	Retained Earnings	\$
Other Assets	\$	Capital	\$
<b>TOTAL ASSETS</b>	\$	<b>TOTAL LIABILITIES &amp; NET WORTH</b>	\$

## EQUIPMENT LIST

Describe the equipment that will be used (attach additional sheets if necessary). Vehicles must pass inspection and be issued a valid Commercial Vehicle Safety Alliance inspection decal before your application may be granted.

Year	Make	License Number	Vehicle ID Number	Gross Vehicle Weight
	SEE ATTACHED LIST			

### SAFETY AND OPERATIONS

In each of the categories shown below, list the person and position responsible for understanding and complying with the Federal Motor Carrier Safety Regulations (FMCSR) and Washington State Laws and rules. Please refer to the WAC rules, Fact Sheets, and publication "Your Guide to Achieving a Satisfactory Safety Rating" for assistance with requirements that may apply to your specific operations.

#### SAFETY RESPONSIBILITIES

**COMMERCIAL DRIVERS LICENSE (CDL) REQUIREMENTS (Title 49, Code of Federal Regulations Part 383)** Any driver who operates a vehicle that meets the definition of a commercial motor vehicle must have a valid CDL.

Name: <u>Christine Urdal</u>	Position: <u>General Manager</u>
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**DRIVER QUALIFICATION REQUIREMENTS (Title 49, Code of Federal Regulations Part 391)** Driver's must meet minimum qualification requirements and each company must maintain driver qualification files for each driver.

Name: <u>John Tanner</u>	Position: <u>DOT Compliance</u>
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**DRIVERS HOURS OF SERVICE (Title 49, Code of Federal Regulations Part 395)** Drivers must maintain logs and each company must maintain true and accurate hours of service records for each driver. John Tanner

Name: <u>John Tanner</u>	Position: <u>DOT Compliance</u>
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**CONTROLLED SUBSTANCES AND ALCOHOL TESTING (Title 49, Code of Federal Regulations Part 382 & Part 40)** Any person who drives a commercial motor vehicle requiring a CDL must be in a Controlled Substance and Alcohol Testing program that complies with the FMCSR in 49 CFR Part 382 and 49 CFR Part 40.

Name: <u>John Tanner</u>	Position: <u>DOT Compliance</u>
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Each company will have in place a system for complying with FMCSR governing alcohol and controlled substances testing requirement (49 CFR Part 382 and 49 CFR Part 40)

**VEHICLE INSPECTION, REPAIR, AND MAINTENANCE (Title 49, Code of Federal Regulations Part 396)** Companies must ensure that each motor vehicle operated is regularly inspected, repaired, and maintained.

Name: <u>Christine Urdal</u>	Position: <u>General Manager</u>
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**INSURANCE REQUIREMENTS (WAC 480-15-530)** All companies must file and maintain proof of public liability and property damage insurance covering vehicles operated. (\$300,000 minimum coverage for vehicles under 10,000 pounds GVWR and \$750,000 minimum coverage for vehicles 10,000 pounds GVWR or more)

Name: <u>Christine Urdal</u>	Position: <u>General Manager</u>
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**CARGO INSURANCE REQUIREMENTS (WAC 480-15-550)** All companies must maintain cargo insurance coverage. (\$10,000 for household goods transported in motor vehicles under 10,000 pounds GVWR and \$20,000 for vehicles 10,000 pounds GVWR or more)

Name: <u>Christine Urdal</u>	Position: <u>General Manager</u>
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**OPERATIONAL RESPONSIBILITIES**

**ANNUAL REPORTS and REGULATORY FEES (WAC 480-15-480)** Companies must annually file a report of their financial operations and pay regulatory fees.

Name: Linda Neumann

Position: Vice President, MIS

**STATE OF WASHINGTON – general laws, rules and regulations:** Individuals and companies doing business in the state of Washington must comply with the regulations of local, state, and federal agencies. Please state the name and position of the person in your organization who will be responsible for ensuring compliance with the laws of the state of Washington, such as, but not limited to: Department of Labor and Industries (industrial insurance, safety, prevailing wage); Department of Licensing (vehicle and drivers licenses, business licensing, Unified Business Identifier (UBI number), fuel permits, fuel tax); Secretary of State (corporate registrations); Department of Transportation (over-size or over-weight permits); Department of Revenue and Internal Revenue Service (taxes); and Employment Security.

Name: Christine Urdal

Position: General Manager

**DECLARATION OF APPLICANT:**

*I understand that filing this application **does not** in itself constitute authority to operate as a household goods mover.*

*As the applicant for a household goods permit, I understand the responsibilities of a motor carrier, and I am in compliance with all local, state, and federal regulations governing businesses, including household goods movers, in the state of Washington.*

*I understand that if the Commission grants my application as a new entrant I will be granted temporary authority to provide service as a household goods carrier on a provisional basis for at least six months. During this time, the Commission will evaluate whether I have met the criteria in WAC 480-15-330 to obtain permanent authority. I also understand that I must comply with all conditions placed on my temporary permit and that failure to do so will result in cancellation of my permit.*

*I certify or declare under penalty of perjury under the laws of the State of Washington that the information contained in this application is true and correct.*

Linda Neumann

Print name of applicant



Signature of Applicant

08/29/03

Kent, WA

Date & Place

DENA I TRANSPORTATION COR  
REPORT NO. RPT6003

BALANCE SHEET REPORT  
FOR ACCOUNTING PERIOD 08/31/03

PAGE 1  
RUN DATE 09/22/03  
FOR INTERNAL ACCOUNTING PURPOSES ONLY

Attachment  
Page 3

ACCT NO	DESCRIPTION	PERIOD BALANCE
***** C A S H		
1011.03	CASH; PAYROLL ACCOUNT	5,049.42
1011.05	MONEY MARKET	432.78
1011.09	MONEY MARKET ANCH	34,258.19
1011.12	MONEY MARKET SEATTLE	84,548.87
1011.14	CASH; PNM DISBURSEMENT	-66,183.90
1011.15	CASH; NR BANK-LOCAL CHECKING ANCH	1,129.58
1011.16	CASH; NR BANK-MONEY MARKET ANCH	21,432.82
1011.17	CASH; NR BANK-LOCAL CHECKING FBKS	2,098.22
1011.18	CASH; NR BANK-MONEY MARKET FBKS	321.31
1011.20	CASH; NR BANK-HEALTH RESERVE	1,168.81
1012.02	PETTY CASH; ANCH	548.69
1012.03	PETTY CASH; SEATTLE	135.98
1012.04	PETTY CASH; FBKS	463.47

TOTAL C A S H 85,404.24

***** INVENTORY & WIP		
1024.01	PACKING MATERIAL INVENTORY F1	61,739.48
1024.02	PACKING MATERIALS INVENTORY S1	10,637.12
1024.03	PACKING MATERIALS INVENTORY A1	33,351.73

TOTAL INVENTORY & WIP 105,728.33

***** ACCOUNTS RECEIVABLE		
1131.00	ACCOUNTS RECEIVABLE; TRADE	483,258.29
1131.01	OVER 120 A/R OFFSET	-27,633.85
1131.05	UNBILLED REVENUE; SEATTLE	27,989.84
1131.06	UNBILLED REVENUE; AKM	-3,644.24
1133.00	ACCOUNTS RECEIVABLE; EMPLOYEE	3,039.52
1133.01	ACCOUNTS RECEIVABLE; APREARS	9.99
1135.00	ACCOUNTS RECEIVABLE; OTHER	10,200.00

TOTAL ACCOUNTS RECEIVABLE 493,219.55

***** PREPAID EXPENSES		
1023.04	EMPLOYEE TRAVEL ADVANCE - S1	1,933.73
1142.04	PREPAID INSURANCE; LIABILITY	2,860.66
1142.05	PREPAID INSURANCE; CARGO	6,894.93
1147.00	PREPAID FRONTIER AIRLINES	15,000.00

TOTAL PREPAID EXPENSES 26,689.32

SUBTOTAL \*\*\* 711,041.44

***** PROPERTY, PLANT, & EQUIPMENT		
1221.01	TRACTORS	24,530.79
1221.02	ACCUM DEPN; TRACTORS	-24,530.79
1233.01	SHOP/WHSE EQUIPMENT	109,583.09
1233.02	ACCUM DEPN; SHOP/WHSE EQUIPMENT	-109,390.88
1234.01	OFFICE FURNITURE/FIXTURES	30,244.56
1234.02	ACCUM DEPN; OFFICE FURNITURE	-30,244.56
1235.01	OFFICE EQUIPMENT	9,205.00
1235.02	ACCUM DEPN; OFFICE EQUIP	-9,205.00

ACCT NO	DESCRIPTION	PERIOD BALANCE	
1245.01	LAND, BUILDINGS & IMPR	1,853,457.32	
1245.02	ACCUM DEPN: BLDGS & IMPRO	-1,255,499.46	
	TOTAL PROPERTY, PLANT, & EQUIPMENT	598,150.07	
	SUBTOTAL ***		598,150.07
**** INTANGIBLES			
1144.01	SEATTLE AUTHORITY	44,000.00	
	TOTAL INTANGIBLES	44,000.00	
**** DEPOSITS			
1013.00	DEPOSITS	5,024.00	
	TOTAL DEPOSITS	5,024.00	
**** INVESTMENT IN FALCON PROPERTIES			
	TOTAL INVESTMENT IN FALCON PROPERTIES	0.00	
	SUBTOTAL ***		49,024.00
	SUBTOTAL ***ASSETS		1,358,215.51
**** ACCOUNTS PAYABLE			
2033.13	HEALTH INSURANCE PAYABLE - RBMS	-81,597.44	
2034.00	A/P - TRADE	-111,362.58	
2034.01	AMERICAN EXPRESS VENDOR PAY	-1,535.62	
2034.02	MASTERCARD VENDOR PAYABLE	-19,572.24	
2151.00	COMMERCIAL INSURANCE PAYABLE	-10,527.82	
2151.01	INSURANCE PAYABLE - PRIOR POLICY YR	-9,049.63	
	TOTAL ACCOUNTS PAYABLE	-233,645.33	
**** WAGES AND PAYROLL TAXES PAYABLE			
2033.02	PRIOR YEAR FLEX	-1,296.41	
2033.04	EMPL W/H: ESC	-2,310.71	
2033.05	EMPL W/H: 401K PLAN	-4,278.77	
2033.06	EMPL W/H: ADD'L FIT	-210.00	
2033.08	EMPL W/H: FLEX/MED2	-3,005.93	
2033.09	EMPL W/H: CSSP/GARN	-2,284.10	
2033.12	EMPL W/H: AFLAC INSURANCE PAYABLE	-2,542.91	
2033.14	EMPL W/H: WA WORK COMP	-8,259.96	
2041.00	ACCRUED WAGES	-165,309.17	
2114.01	ACCRUED FICA TAX	-13,143.59	
2114.02	ACCRUED ESC TAX	-10,827.72	
2114.03	ACCRUED FUI TAX	-2,203.49	
2114.04	ACCRUED WRMN COMP INS	33,165.76	
2131.00	ACCRUED WASHINGTON PAYROLL TAXES	-34,086.91	
2181.03	ACCRUED PAID VACATION	-58,249.71	
	TOTAL WAGES AND PAYROLL TAXES PAYABLE	-274,843.62	
**** OTHER CURRENT LIABILITIES			
2050.00	CLEARING ACCT: SEATTLE	5,515.01	

ACCT NO	DESCRIPTION	PERIOD BALANCE		
2050.50	ESTIMATED REV & EXP - PMS	20,549.08		
2053.50	ESTIMATED REV & EXP - PMA	48,458.74		
2055.50	ESTIMATED REV & EXP - PMF	7,589.72		
	TOTAL OTHER CURRENT LIABILITIES	82,112.55		
***** NOTES PAYABLE: LONG-TERM				
	TOTAL NOTES PAYABLE: LONG-TERM	0.00		
	SUBTOTAL ***		-426,376.40	
***** INTERCOMPANY RECEIVABLES/PAYABLES				
2040.00	DTC-AFS INTERCOMPANY	-3,033,055.77		
2045.00	DGC INTERCOMPANY	3,363,772.80		
2181.06	INTERCOMPANY LEASING	-214,456.69		
2181.08	INTERCOMPANY AKM	-20,007.65		
2181.10	INTERCOMPANY INT	-1,000.60		
2181.11	INTERCOMPANY ATV	-20.74		
2181.12	INTERCOMPANY FALCON	-70,931.20		
	TOTAL INTERCOMPANY RECEIVABLES/PAYABLES	24,300.15		
	SUBTOTAL ***		24,300.15	
***** STOCKHOLDERS' EQUITY				
2613.00	STOCK & PD IN CAP	-39,999.85		
2652.00	ACC. ADJUSTMENTS ACCOUNT	1,724,770.58		
2653.00	RETAINED EARNINGS	-2,623,709.95		
	TOTAL STOCKHOLDERS' EQUITY	-938,939.22		
	SUBTOTAL ***		-938,939.22	
	SUBTOTAL ***LIABILITIES & STOCKHOLDERS' EQUITY		-1,341,015.47	
	SUBTOTAL ***			17,200.04
*****				
	TOTAL	0.00		
	**** INCOME BEFORE TAXES ****			-17,200.04
	**** TOTALS ****			0.00



DENALI TRANSPORTATION CORPORATION, dba PACIFIC MOVERS  
EQUIPMENT LIST

<u>ASSET #</u>	<u>YEAR</u>	<u>MAKE</u>	<u>LICENSE</u>	<u>DESC</u>	<u>VIN</u>	<u>GR WT</u>
LA11	1984	FORD	Dead	FORD CLUB WAGON E150XLT	1FMEE11F1EHB57816	10000
LA17	1997	FORD	A30902C	FORD CARGO E251	1FTFS24L0VHA09701	10000
LA22	1997	CHEVY	A30781D	CHEVY PACK VAN	1GBJG31R5V1102995	20000
LA23	1999	CHEVROLET	A45144E	CHEVY G30 VAN	1GBJG31R0X1004976	10000
LA24	1999	CHEVROLET	A59354G	CHEVY ASTRO VAN	1GNDM19W1XB108989	5500
LP07	1985	INTERNATIONAL	Dead	INTERNATIONAL S2275 TRACTOR	1HSZAJSN8FHA26224	50000
LP26	1995	INTERNATIONAL	A2622840	INTERNATIONAL 9600 TRACTOR	1HSRDALR2SH695332	50000
LP27	1996	INTERNATIONAL	A26285D	INTERNATIONAL 8200 TRACTOR	1HSHEAHNXT218342	40000
LS11	1989	VOLVO	13949-X	VOLVO VAN	YB3U6A7A3KB438726	50000
LS13	1989	FORD	46581Z	FORD F700 TRUCK	1FDNK74P5KVA35666	10000
LS16	1990	INTERNATIONAL	A77433A	INTERNATIONAL 4900 SOLO	1HTSDZ4N5LH272253	10000
LS18	1993	INTERNATIONAL	A30700C	INTERNATIONAL 4900 TRACTOR	1HTSDPNL2PH505464	20000
LS24	1993	INTERNATIONAL	A48737D	INTERNATIONAL 4700 TRACTOR	1HTSCPLM4PH519817	20000
LS27	1996	INTERNATIONAL	A90993E	INTERNATIONAL 4700 TRACTOR	1HTSCAAMXTH349294	20000
LT10	1981	MATLOCK	2411SE	MATLOCK TRAILER	2115	50000
LT19	1980	KENTUCKY	8153SE	KENTUCKY TRAILER	56535	50000
LT21	1980	KENTUCKY	8157SE	KENTUCKY TRAILER	56526	50000
LT63	1977	KENTUCKY	FT85041	KENTUCKY TRAILER	54786	50000
LT66	1977	KENTUCKY	???	KENTUCKY TRAILER	54847	50000
LT96	1981	KENTUCKY	4318SE	KENTUCKY CURTAINSIDE(ANBP102)	56532	50000
LP33	1994	INTERNATIONAL	SOLD	INTERNATIONAL TRACTOR	1HSHBA5N4RH546135	40000
LS29	2001	INTERNATIONAL	A86062F	INTERNATIONAL 4700 TRACTOR	1HTSCAAM51H339740	40000
LS30	2001	INTERNATIONAL	A86061F	INTERNATIONAL 4700 TRACTOR	1HTSCAAM91H339742	40000

## ATTACHMENT C

### TRANSFER OR ACQUISITION OF PERMANENT HOUSEHOLD GOODS AUTHORITY UNDER EXCEPTIONS IN WAC 480-15-260

1. The Commission will grant an application for permanent authority without public notice or comment if the applicant is fit, willing, and able to provide service and the application is filed to transfer or acquire control of permanent authority for one of the following reasons (check one, if applicable):
- A partnership has dissolved due to the death, bankruptcy, or withdrawal of a partner, and that partner's interest is being transferred to one or more of the remaining partners or a spouse;
  - A shareholder in a corporation has died and that shareholder's interest is being transferred to a surviving spouse or one or more surviving shareholders;
  - A sole proprietor has died and the interest is being transferred as property of the estate;
  - An individual has incorporated, and the same individual remains the majority shareholder;
  - An individual has added a partner, but the same individual remains the majority partner;
  - A corporation has dissolved and the interest is being transferred to the majority shareholder;
  - A partnership has dissolved and the interest is being transferred to the majority partner;
  - A partnership has incorporated and the partners are the majority shareholders; or
  - Ownership is being transferred from one corporation to another corporation when both are wholly owned by the same shareholders.

\*\*\*NOTE\*\*\* Documentation must be included with your application. Documentation may be in the form of a corporate resolution, partnership agreement, court order, death certificate, will or other proof of right to inherit, estate executor's statement, community property agreement or other such documentation that may support your request.

2. The Commission will grant an application for permanent authority without temporary permit operations following public notice or comment if the applicant is fit, willing, and able to provide service and the application is filed to transfer or acquire control of permanent authority for the following reason (check box, if applicable):
- Ownership or control of a permit is being transferred to any shareholder, partner, family member, employee, or other person familiar with the company's operations and the household goods moving services provided. If you check this option, please complete the following:
    - a. Has the permit been actively used by the current owner to provide household goods moving services during the last twelve-month period?  No  Yes
    - b. Explain why the transfer of ownership or control is necessary to ensure the company's economic viability:  
Walt Schlotfeldt and Jim Dodson each held 50% interest in the company.  
In a divorce settlement, Jim Dodson's 50% share was transferred to Robin Dodson.  
Walt Schlotfeldt purchased Robin Dodson's share of the company (see attached
    - c. Describe the steps taken by the applicant and the current owner to ensure that safe operations and continuity of service to the customers are maintained: purchase agreement,  
Walt Schlotfeldt has always taken an active interest in the operation  
of the company in both service and safety issues and will continue to do so.

**ATTACHMENT B**

**Transfer or Acquisition of Control**

Applicant is seeking one of the following - please check one:

Transfer  Acquisition of Control

Denali Transportation Corp.

Current Name on Permit (Seller)

Pacific Movers

Current Trade Name on Permit (Seller)

18314 80th Pl S Kent, WA 98032

Address (Seller)

HG- 001886

425-496-2111

Permit Number

Phone Number (Seller)

Does the transfer of this permit fall under the provisions of WAC 480-15-260?  No  Yes If yes, please complete Attachment C.

Have all fines and/or penalties been paid?  No  Yes

Has the closing annual report been filed with the Commission?  No  Yes

A customer may file a loss or damage claim for up to nine months following a move, and up to two years for a lawsuit. Who will be responsible for handling claims filed by customers for loss and/or damage that occurred on moves taking place prior to the sale and transfer or acquisition?

**RELEASE OF AUTHORITY**

I, the seller, have sold or otherwise released interest in my household goods permit number HG- 1886 to the following:

Denali Transportation Corp

Name of Buyer

Pacific Movers

Trade Name of Buyer

**We, as applicants, hereby jointly declare and affirm that all information is true to the best of our knowledge.**

see attached Settlement & Purchase Agreement

Seller's Signature

Date & Location

Buyer's Signature

Date & Location

SETTLEMENT AND PURCHASE AGREEMENT

This SETTLEMENT AND PURCHASE AGREEMENT (the "Agreement") is made and entered into as of the 14 day of September, 1999 by and among Robin L. Dodson ("Dodson"), Walter P. Schlotfeldt and Katherine L. Schlotfeldt (collectively "Schlotfeldt"), Interior Transportation, Inc., Denali International, Inc., AFS, Inc., Denali Transportation Corp., All Alaska Thru Van Inc., Alaska Moving & Storage Inc. and Denali Leasing Co., all Alaska corporations (collectively "Denali") and Falcon Properties, an Alaska general partnership ("Falcon").

## W I T N E S S E T H:

WHEREAS, Dodson and Schlotfeldt are stockholders of Denali, partners in Falcon, and joint owners of Sun Valley Estates, and have existing disputes regarding the ownership, management and operation of those entities; and

WHEREAS, the parties are desirous of settling and adjusting the controversies, conflicts and disputes which exist among them;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained it is agreed among the parties as follows:

1. Purchase of Interests. On or before the close of business on September \_\_, 1999 ("Closing Date"), Dodson will sell, convey and deliver the following to Denali, free and clear of any and all claims, liens and encumbrances imposed or existing by reason of Dodson's ownership or activities or through any of her agents, attorney's or other representatives:

- (a) Certificates #10 and #8 for 50,000 shares of Interior Transportation, Inc.;
- (b) Certificates #12 and #10 for 50,000 shares of Denali International, Inc.;
- (c) Certificates #17 and #15 for 50,000 shares of AFS, Inc.
- (d) Certificates #33 and #30 for 100 shares of Denali Transportation Corp.;
- (e) Certificates #10 and #8 for 50,000 shares of All Alaska Thru Van Inc.;

- (f) Certificates #12 and #10 for 50,000 shares of Alaska Moving and Storage, Inc.;
- (g) Certificates #12 and #10 for 50,000 shares of Denali Leasing Co.;
- (h) a bill of sale in the form annexed hereto as Exhibit A conveying her general partnership interest in and to Falcon and/or any interest she may have in and to the Sun Valley Estate properties (except Sun Valley Lot 1 Block A) or proceeds, including but not limited to all amounts currently held in the trust account of Bundy & Christianson; and
- (i) those documents required by paragraph 3B below.

2. Payment of Purchase Price. For and in consideration of the transfer of the above interests by Dodson, Denali agrees to purchase such interests as follows ("Purchase Price"):

- (a) Denali will assume and pay all indebtedness owed by Dodson to Denali State Bank;
- (b) Denali will assume and pay all indebtedness owed by Dodson to Restaurants Unlimited, Inc.;
- (c) Denali will assume and pay indebtedness owed by Dodson to James L. Dodson in the sum of \$70,000;
- (d) Denali will pay Dodson the cash sum of \$828,000;
- (e) Denali will assume and pay any and all federal income taxes (including interest, penalties, and taxes on debt forgiveness, if any) that may be imposed on the consideration paid to Dodson under this paragraph 2, including applicable taxes imposed on the tax payment, if any;
- (f) Denali will pay Dodson the cash sum of \$18,474.19 as reimbursement for attorneys' fees incurred by her since April 1999;
- (g) Denali and/or Schlotfeldt will deliver those documents required by paragraph 3A(b) through (g); and,
- (h) Denali will assume and pay any income taxes (including interest and penalties, if any) that

Dodson is required to pay because of the 1999 income of Denali and/or Falcon, and the pre-1999 income of those entities to the extent such income was not reflected in forms K-1 provided to Dodson for any such years.

3. Closing Date. Prior to the Closing Date, the parties will deliver the following:

A. Denali and/or Schlotfeldt will pay or deliver to Dodson;

- (a) the cash sum of \$828,000, plus an additional amount of \$18,474.19, in immediately available funds,
- (b) a General Release, in the form annexed hereto as Exhibit B, executed by Denali, Falcon, Walter P. Schlotfeldt and Katherine L. Schlotfeldt, in favor of Dodson with respect to any and all claims or causes of action they may have against her, whether now existing or which may have existed in the past, known or unknown,
- (c) an Indemnity, in the form annexed hereto as Exhibit C, executed jointly and severally by Denali, Falcon, Walter P. Schlotfeldt and Katherine L. Schlotfeldt, relating to all liabilities, commitments and obligations with respect to (A) Dodson's debt obligations to Denali State Bank and Restaurants Unlimited International (with respect to the Clinkerdagger debt), and James L. Dodson (with respect to the \$70,000 note issued by Dodson), (B) all debt obligations associated with Falcon, (C) the obligation to assume and pay taxes (including any taxes on debt forgiveness) on the amounts paid to Dodson pursuant to paragraph 2 hereof, (D) the ownership and/or past, present and future operation of Denali, Falcon and all affiliated entities (excepting Dodson's obligations set forth in Paragraph 3B below) and (E) the 1999 income of Denali and/or Falcon, and the pre-1999 income of those entities to the extent such income was not reflected in forms K-1 provided to Dodson for any such years,
- (d) Walter P. Schlotfeldt and Katherine L. Schlotfeldt's personal guarantee, in the form

annexed hereto as Exhibit D, guaranteeing Denali's payment and debt assumption commitments under paragraph 2 of this Agreement,

- (e) A duly and validly executed dismissal with prejudice of James L. Dodson's appeal in docket S-09153,
- (f) Releases in favor of Dodson and James L. Dodson from Denali State Bank and Restaurants Unlimited International (with respect to the Clinkerdagger debt) or other documentation evidencing satisfaction is full of all amounts owing thereto,
- (g) A release in favor of Dodson from James L. Dodson with respect to the \$70,000 note issued by Dodson.

B. Dodson will deliver to Denali and Schlotfeldt:

- (a) a General Release, in the form annexed hereto as Exhibit E, in favor of Denali and Falcon, their agents, employees and officers and directors, in their capacities as such, and Walter P. Schlotfeldt and Katherine L. Schlotfeldt, with respect to any and all claims or causes of action she might have against all such entities and individuals, whether now existing or which may have existed in the past, known and unknown,
- (b) an Indemnity, in the form annexed hereto as Exhibit F, relating to Robin Dodson's title to the certificates and other interests being conveyed hereunder, and with respect to the payment of federal income tax on her past share of Subchapter S income from Denali and Falcon through 1998, to the extent such income has been reflected on forms K-1 provided to her,
- (c) Lien releases, executed by Joseph Sheehan, covering any property or other interests of Denali, Falcon or any of their affiliated entities.

All such payments and deliveries shall be made to Yukon Title Insurance Company, which shall hold them in escrow until such time as all documentation is complete and the dismissal of James L. Dodson's appeal in docket S-09153 is entered by the court or the court's clerk, and, at such time shall, deliver them as provided above in this Section 3 in accordance with joint escrow

instructions substantially in the form of Exhibit G ("Escrow Instructions"). The date of such delivery by Yukon Title Insurance Company shall be the "Closing Date," provided, however, that if all such payments and deliveries have not been made to Yukon Title Insurance Company by October 10, 1999, then there shall be no closing and Yukon Title shall return such payments and deliveries to the parties who made them, all in accordance with the Escrow Instructions.

4. Payment of Dodson Taxes. On or before April 1, 2000 Denali will prepare and deliver to Dodson calculations regarding the tax implications of the Purchase Price paid to Dodson pursuant to paragraph 2 hereof, using as a basis calculation those amounts set forth in a written statement prepared by the firm of Warwick & Schikora, P.C., and will provide Dodson with the funds to pay the calculated taxes within two (2) days after the time she notifies Denali in writing that she is prepared to file her return on that basis. Such payment by Denali will not relieve Denali of its indemnification obligations with respect to such taxes as set forth in paragraph 3A(c) hereof.

5. Confidentiality. Each of the parties to this settlement arrangement agrees to treat the terms of this settlement, and the facts relating to operations of Denali and all affiliated entities, as strictly confidential, and will not disclose the terms hereof to any person or entity, except as such disclosure is required to courts or other third parties to effectuate the terms hereof.

6. James L. Dodson. Nothing contained in this settlement agreement is intended to effect a release of any claim Robin Dodson may have against Jim Dodson, except claims she may have against him in his capacity as an officer, partner or director of Denali or any of its affiliated entities.

7. Authority. Each party hereto represents and warrants to the other parties hereunder that they, he, she or it has or have full power and authority to execute, deliver and perform this Agreement and all covenants, promises and agreements stated herein.

8. No Admission. The sole and exclusive purpose of this Agreement is to resolve and settle disputes among the parties, and this Agreement is the COMPROMISE OF DOUBTFUL AND DISPUTED CLAIMS, and is not an admission of liability of any of the parties hereto.

9. Disputes. A material violation by any party of any provision of this Agreement constitutes a breach, entitling the



non-breaching party to specific performance plus any other rights that they may have in law or equity. In the event of a dispute between the parties to this Agreement with respect to the terms hereof, the resolution of said dispute shall be governed by this Paragraph 9. This Agreement will be governed by and construed in accordance with the laws of the State of Alaska. Any controversy or claim arising out of or relating to this Agreement or the breach thereof, shall be brought in State Superior Court in Fairbanks, Alaska. Each party hereto hereby irrevocably submits and consents to the jurisdiction of the Superior Court in Fairbanks, Alaska, and irrevocably agrees that all actions or proceedings relating to this Indemnity may be litigated in such courts, and each waives (to the extent permitted by law) any objection which he, she, they or it may have based on improper venue or *forum non conveniens* to the conduct of such proceeding.

10. Attorneys' Fees. If it shall be necessary for any party to this Agreement to employ an attorney to enforce their rights pursuant to this Agreement because of the breach of any party(ies) covenants under this Agreement the defaulting party(ies) shall reimburse the prevailing party for reasonable attorneys' fees and expenses. This provision is intended to also apply to any agreement which is specified and/or contemplated by this agreement.

11. Notices. All notices or other communications required or permitted by this Agreement shall be in writing and shall be deemed to have been duly received (a) if given by certified or registered mail, return receipt requested, postage prepaid, three business Days after being deposited in the U.S. mails and (b) if given by courier or other means, when received or personally delivered, and, in any such case, addressed as follows:

(I) if to Falcon, Denali or Schlotfeldt:

Denali Transportation Corp.  
1730 Railroad Avenue  
Anchorage, AK 99501

Attention: Walter P. Schlotfeldt, President  
Telephone: 907-278-2854  
Facsimile: 907-279-7164

with copies to:

Wickwire, Greene, Crosby, Brewer & Seward  
821 2nd Ave., Suite 2000  
Seattle, Washington 98104

Attention: John B. Greene  
Telephone: (206) 623-2426  
Facsimile: (206) 623-5670

(ii) if to Dodson:

Attention: Robin L. Dodson  
1701 2nd Avenue #20  
Fairbanks, AK 99701  
Telephone: (907) 457-5671  
Facsimile: (907)

with a copy to:

Joseph W. Sheehan  
PO Box 70906  
Fairbanks, AK 99707

Telephone: (907) 456-6090  
Facsimile: (907) 451-6070

or to such other addresses as may be specified by any such persons to the other persons, pursuant to notice given by such person in accordance with the provisions of this Paragraph 11.

12. Assignment. No party may assign or transfer any or all of its rights or obligations under this Agreement without the prior written approval of all the other parties; provided that Denali may collaterally assign its rights hereunder to any person or persons now or hereafter providing financing to Denali.

13. Benefit of the Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Indemnity shall not be construed so as to confer any right or benefit upon any person, other than the parties hereto and their respective successors and permitted assigns.

14. Exhibits and Schedules. The Exhibits and Schedules hereto, if any, shall be construed with and as an integral part of this Indemnity to the same effect as if the contents thereof had been set forth verbatim herein.

15. Headings. The headings used in this Agreement are for convenience of reference only and shall not be deemed to limit, characterize or in any way affect the interpretation of any provision of this Agreement.

16. Entire Agreement. This Agreement, together with the

documents associated with this Agreement, contain the entire agreement and understanding of the parties with respect to the subject matter hereof, and no other representations, promises, agreements or understandings regarding the subject matter hereof shall be of any force or effect unless in writing, executed by the party to be bound thereby and dated on or after the date hereof.

17. Modifications and Waivers. No change, modification or waiver of any provision of this Agreement shall be valid or binding unless it is in writing, dated subsequent to the date hereof and signed by the parties hereto. No waiver of any breach, term or condition of this Agreement by any party shall constitute a subsequent waiver of the same or any other breach, term or condition.

18. Counterparts. This Indemnity may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

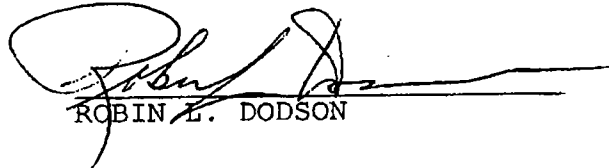
19. Severability. In case any one or more of the provisions contained herein for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

20. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ALASKA.

21. Expenses. Except as otherwise expressly provided herein, each party hereto shall pay all of its own costs and expenses incurred or to be incurred in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 29 day of September, 1999.

"DODSON"



ROBIN L. DODSON

"DENALI"

INTERIOR TRANSPORTATION, INC.

BY *[Signature]*

DENALI INTERNATIONAL, INC.

BY *[Signature]*

AFS, INC.

BY *[Signature]*

DENALI TRANSPORTATION CORP.

BY *[Signature]*

ALL ALASKA THRU VAN INC.

BY *[Signature]*

ALASKA MOVING & STORAGE, INC.

BY *[Signature]*

DENALI LEASING CO.

BY *[Signature]*

FALCON PROPERTIES, a P/S

BY *[Signature]*

"SCHLOTFELDT"

*[Signature]*

WALTER P. SCHLOTFELDT

*[Signature]*  
KATHERINE L. SCHLOTFELDT

**Anchorage**  
2510 Post Road  
Anchorage, AK 99501  
907-276-5737 TEL  
907-258-3717 FAX

**Fairbanks**  
3420 Industrial Avenue  
Fairbanks, AK 99701  
907-425-3663 TEL  
907-456-6803 FAX

**Seattle**  
18314 80th Place South  
Kent, WA 98032  
P.O. Box 389666  
Seattle, WA 98138  
425-496-2111 TEL  
425-496-2112 FAX



September 22, 2003

Tina Leipski  
Licensing Services  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr SW  
P.O. Box 47250  
Olympia, WA 98504-7250

Dear Ms. Leipski:

Per our telephone conversation last week, I am sending you our application for permanent authority as a household goods carrier. The application includes attachments B and C. These explain the change of ownership and a copy of the purchase agreement between Robin Dodson and Walt Schlotfeldt is attached.

If you have any questions regarding our application or if you need any additional information, please contact me at 800-955-7989. Thank you for your help

Sincerely,

A handwritten signature in cursive script that reads "Linda Neumann".

Linda Neumann  
Vice President, MIS



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

August 25, 2003

Denali Transportation Corp.  
Attn: Dale Hektner, Controller  
P.O. Box 389666  
Seattle, WA 98138

Dear Mr. Hektner:

During our review of your 2002 Household Goods Carrier's Annual Report, it was noted that there seems to have been a change of ownership or acquisition of control from James & Robin Dodson to Walt Scholfeldt 100%.

Anytime there is a change of ownership or changes in the controlling interest on a household good's company, a completed application, with applicable fees, must be submitted and approved by the our agency. I am enclosing a current application along with a copy of the WAC 480-15 for your use.

If you have any questions or concerns, feel free to contact me at (360) 664-1170.

Sincerely,

Tina Leipski  
Transportation Specialist  
Licensing Services

Enclosure



INQR UTL024P1                    MASTER LICENSE SERVICE                    11/05/03  
   BUSINESS ENTITY INQUIRY                    14:19:35

-----  
UBI: 601 235 894 001 0001                    State of Inc: AK                    Loc Status: A  
Type: PROFIT CORPORATION                    Date of Inc: 10 24 2003 Corp Status: A  
-----

Owner Name: DENALI TRANSPORTATION CORPORATION

Reg. Agent: JAMES THOMPSON  
Reg. Address: 5150 S 303RD PL                    Exp. Date: 10 31 2004  
   AUBURN WA 98001                    Total Shares authzd:  
                      Total Shares issued:

Firm Name : PACIFIC MOVERS  
Loc: 18314 80TH PL S                    Mail: 18314 80TH PL S  
   KENT WA 98032                    KENT WA 98032

Phone: (425) 496-2111                    Registered Tradenames for this UBI? Yes  
RFI: No            NSF: No                    Location First Activity: 03 01 1990  
RFP: No            Withhold: No                    Last License Issue:            10 16 2003  
TRANSFER: \_\_\_\_\_ {Press <ENTER> for Endorsements List}  
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---  
   GLIST APLST UBIQ    SERV    TRDU    INQA                    INQR    MMENU

INQR UTL024P1 MASTER LICENSE SERVICE 11/05/03  
BUSINESS ENTITY INQUIRY 14:19:48

-----  
UBI: 601 235 894 001 0001 Loc Status: A  
Type: PROFIT CORPORATION  
-----

Owner Name: DENALI TRANSPORTATION CORPORATION  
Firm Name : PACIFIC MOVERS  
Page: 1

Endorsements	Unit	Account #	Stat	Date	Expires
TAX REGISTRATION			A	03 15 1990	
UNEMPLOYMENT INSURANCE			A	10 08 2003	
INDUSTRIAL INSURANCE			A	03 15 1990	
SCALE-LARGE	1		A	12 09 1995	07 31 2004
MINOR WORK PERMIT			A	10 08 2003	07 31 2004

TRANSFER: \_\_\_\_\_ End of Endorsement List

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---  
GLIST APLST UBIQ SERV TRDU INQA INQR MMENU





**Corporations Menu**

**Corporations**

[Corporations Home](#)

[Registration](#)

[Renewal](#)

[Corporations Search](#)

[Master License Service](#)

[Uniform Code](#)

Corporations Division - Registration Data Search

**DENALI TRANSPORTATION CORPORATION**

**UBI Number** 601 235 894  
**Category** Regular Corporation  
**Profit/Nonprofit** Profit  
**Active/Inactive** Active  
**State of Incorporation** AK  
**Date of Incorporation** 10/24/2003  
**License Expiration Date** 10/31/2004

**Registered Agent Information**

**Agent Name** JAMES THOMPSON  
**Address** 5150 S 303RD PL  
**City** AUBURN  
**State** WA  
**ZIP** 98001

**Special Address Information**

**Address**  
**City**  
**State**  
**Zip**

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[Apostilles](#)

[Archives](#)

[Charities](#)

[Contact Us](#)

**Corporations**

[Digital Signatures](#)

[Elections & Voting](#)

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[Medals of Merit & Valor](#)

[News Releases](#)

[Oral History](#)

[Productivity Board](#)

[State Flag](#)

[State Seal](#)

[Washington History](#)

VENDOR NAME AND ADDRESS  <b>DENALI TRANSPORTATION CORPORATION  D/B/A PACIFIC MOVERS  PO BOX 389666  SEATTLE, WA 98138-9666</b>	AGENCY NUMBER <b>2150</b>	LOCATION CODE
AGENCY P.R. OR AUTHORIZATION NUMBER <b>REFUND</b>		
AGENCY NAME AND LOCATION UTILITIES AND TRANSP. COMM. 1300 S. EVERGREEN PK DRIVE S.W. P.O. BOX 47250 OLYMPIA, WA 98504-7250		
FEDERAL I.D. NO. OR SOCIAL SECURITY NO. (FOR REPORTING PERSONAL SERVICES CONTRACT PAYMENTS TO I.R.S.)	RECEIVED BY BUSINESS OFFICE	DATE RECEIVED

USE SPACE BELOW AS A WORKSHEET TO DEVELOP OR EXPLAIN THE GOODS OR SERVICES PURCHASED STAPLE INVOICES ON BACK

REVENUE REFUND \$300.00 due to OVERPAYMENT ON HOUSEHOLD GOODS APPLICATION.

RECEPTION OR FIELD RECEIPT NO. 000856 DATED 9/24/03

**TOTAL REFUND \$ 300.00**

R Tina Leipski		TELEPHONE NUMBER 664-1170		DATE 11/5/03		AGENCY APPROVAL				DATE						
DOC. DATE		PMT DUE DATE		CURRENT DOC. NO.		REF. DOC. NO.		VENDOR NUMBER VOD1		VENDOR MESSAGE		USE TAX	UBI NUMBER			
REF DOC SUF	TRANS CODE	M O D	FUND	MASTER INDEX APPN INDEX	PROGRAM INDEX	SUB OBJ	SUB OBJECT	ORG INDEX	WORK CLASS ALLOC	COUNTY BUDGET UNIT	CITY/TOWN MOS	PROJECT	SUB PROJ	PROJ PHAS	AMOUNT	INVOICE NUMBER
	198		111			02	68								\$	REFUND
ACCOUNTING APPROVAL FOR PAYMENT										DATE		WARRANT TOTAL		WARRANT NUMBER		
												\$				