

RECEIVED
RECORDS MANAGEMENT

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 South Evergreen Park Drive SW, PO Box 47250
Olympia Washington 98504-7250
Phone: (360) 664-1222
Fax (360)-586-1181

STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

NOV 1 AM 9:25

APPLICATION FOR CHARTER BUS/EXCURSION SERVICE CERTIFICATE

0008797

Fee: \$150.00

111 0268 232 01	CID	43304	CHA	79316	
111 0268 232 02	150.00	DATE	10/21/04	SAFETY INSP	RL
111 0268 232 03			INS/BOND	RL	
111 0268		TE-041884			

THIS APPLICATION IS FOR:

(Check One Only) CHARTER BUS CERTIFICATE EXCURSION SERVICE CERTIFICATE

CH-464

NAME OF APPLICANT CUSA RAZ, LLC

D/B/A Raz Transportation Company

MAILING ADDRESS 4020 E. Lone Mountain Road
N. Las Vegas, NV 89081

PHYSICAL ADDRESS n/a

BUSINESS TELEPHONE NUMBER (702) 644-2233

FAX NUMBER () _____

UBI # 602-432-015

E-MAIL _____

IF APPLICANT IS A CORPORATION, LIST NAME, TITLES, AND PERCENTAGE OF STOCK OF PRINCIPAL SHAREHOLDERS. IF APPLICANT IS A PARTNERSHIP, LIST NAMES, ADDRESSES, AND PERCENTAGE OF INTEREST OF ALL PERSONS HAVING AN EQUITY IN THE BUSINESSES:

CUSA, LLC 5420 LBJ Freeway, 3 Lincoln Center, Ste 1075, Dallas, TX 75240 100% Member

IF APPLICANT HOLDS ANY OTHER CERTIFICATE OR PERMIT WITH THE COMMISSION, LIST PERMIT NUMBERS:

EQUIPMENT LIST: See Attached

LICENSE NUMBER	YEAR AND MAKE OF VEHICLE	SERIAL NUMBER (VEHICLE IDENTIFICATION NUMBER)	SEATING CAPACITY
See Attached			

DESCRIBE OPERATIONS (Territory) Whole State of Washington

SAFETY COMPLIANCE REVIEW AND QUESTIONNAIRE:

GENERAL

	YES	NO	N/A
Do you have a copy of the laws and rules relating to passenger charter and excursion service carriers?	<u>X</u>	___	___
Have you been cited within the last three years by the Commission for violations of its rules or laws?	___	<u>X</u>	___

If Yes, explain: _____

Are you familiar with the state motor carrier safety rules?.....	<u>X</u>	___	___
Will management review the carrier's compliance status on a periodic basis?.....	<u>X</u>	___	___

NOTIFICATION AND REPORTING OF ACCIDENTS

	YES	NO	N/A
Are you familiar with the Commission accident reporting rule?	<u>X</u>	___	___
Will you take any action against drivers involved in preventable accidents?.....	<u>X</u>	___	___

PART 391 - QUALIFICATION OF DRIVERS

	YES	NO	N/A
Do you have written hiring policies/procedures that are being followed when hiring new drivers?.....	<u>X</u>	___	___
Are oral interviews conducted with new drivers to verify information submitted on their applications?.....	<u>X</u>	___	___
Will you have a system established to ensure drivers' medical certificates remain current?.....	<u>X</u>	___	___
Will you verify that physicians completing medical certifications are knowledgeable about the instructions for performing and recording driver physical examinations?.....	<u>X</u>	___	___
Will you review the results of the health history and physical examination?.....	<u>X</u>	___	___
Will you have a system established that will ensure drivers' operating licenses remain current?.....	<u>X</u>	___	___
Will you have a system established that will ensure drivers' annual reviews and annual record of violations remain current?.....	<u>X</u>	___	___
Will you comply with the road test provisions of Section 391.31?.....	<u>X</u>	___	___
Can you maintain and produce complete driver qualification files on drivers?.....	<u>X</u>	___	___

PART 392 - DRIVING OF MOTOR VEHICLES

	YES	NO	N/A
Do you have established procedures concerning the use of alcohol and drugs?.....	<u>X</u>	___	___
Do you have a policy for monitoring speed?.....	<u>X</u>	___	___

PART 395 - HOURS OF SERVICE OF DRIVERS

	YES	NO	N/A
Can you explain the hours of service limitations, i.e., 10, 15, 60 in 7, 70 in 8?.....	<u>X</u>	___	___
Will you file records of duty status in systematic manner?.....	<u>X</u>	___	___
Will drivers be required to complete recaps of their records of duty status?.....	<u>X</u>	___	___
Will dispatchers be aware of drivers' hours of service prior to trip?.....	<u>X</u>	___	___
Will other independent records be compared to drivers records of duty status for accuracy?.....	<u>X</u>	___	___
Will you have a system for recording hours of duty status on 100 mile radius drivers?.....	<u>X</u>	___	___
Will you have a disciplinary policy for noncompliance with Part 395?.....	<u>X</u>	___	___

PART 396 - INSPECTION, REPAIR AND MAINTENANCE

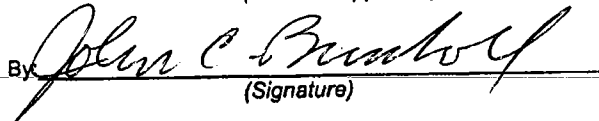
	YES	NO	N/A
Will you have written procedures explaining a systematic, periodic maintenance program?.....	<u>X</u>	___	___
Will you periodically review maintenance records for all equipment?.....	<u>X</u>	___	___
Will you comply with the vehicle inspection procedure?.....	<u>X</u>	___	___
Will you train drivers to perform pre-trip inspections?.....	<u>X</u>	___	___
Will you maintain the prior three months vehicle inspection reports on a vehicle?.....	<u>X</u>	___	___
Will you maintain a complete maintenance file on all vehicles?.....	<u>X</u>	___	___

THE UNDERSIGNED APPLICANT REQUESTS THAT THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION MAKE ITS ORDER GRANTING A CERTIFICATE TO OPERATE AS A CHARTER PARTY OR EXCURSION SERVICE CARRIER AS PROVIDED FOR IN RCW 81.70 AND WAC 480-40

Dated at: DENVER, CO, Washington, 10/20/04
(City or Town) (Month/Day/Year)

CUSA RAZ, LLC

(Name of applicant)

By: 
(Signature)

I certify (or declare) under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

10/20/04 Denver, CO
(Date and Place)


(Signature)

CUSA RAZ, LLC
 Washington Application for Charter Bus Service Certificate
 Equipment List

License Number	Year	Make/Model	Serial Number (Vehicle Identification Number)	Seating Capacity
B12286	1994	Ford/El Dorado	1FDKE3OM8RHB02705	16PX w/Lift
B12299	1996	Ford/El Dorado	1FDLE40F3THB40944	20PX w/Lift
B12300	1996	Ford/El Dorado	1FDLE40F5THB40945	20PX w/Lift
VMG968	1997	Ford/Trans Com	1FTJS34FOVHA78706	15PX
VMG969	1997	Ford/Trans Com	1FTJS34F4VHA74951	15PX
Y106813	1997	Ford/Turtle Top	1FDLE40F2VHA54107	20PX w/Lift
Y106814	1997	Ford/Turtle Top	1FDLE40F4VHA54111	20PX w/Lift
Y106815	1997	Ford/Turtle Top	1FDLE40F6VHA54112	20PX w/Lift
Y106816	1997	Ford/Turtle Top	1FDLE40F8VHA54113	20PX w/Lift
B12387	1998	Ford/Champion	1FDXE45FXYHA27011	17PX w/Lift
Y111680	1996	Ford/Champion	1FDLE40F7THB34080	21PX
B12975	1996	Ford/Champion	1FDLE40FXTHB50886	18px w/Lift
B13021	1997	Ford/Champion	1FDLE40F9THB50880	18px w/Lift
B13083	1997	Ford/Champion	1FDLE40F9VHA96466	18px w/Lift
B13084	1997	Ford/Champion	1FDLE40F0VHA96470	18px w/Lift
B13082	1997	Ford/Champion	1FDLE40F4VHA53928	18px w/Lift
		Van/ Short Term leased	1FDWE35F5YHC03713	

CUSA, LLC
Consolidated Balance Sheet (Unaudited)
Month Ending August 31, 2004

	Aug-04 Actual
ASSETS	
Current Assets	
Cash and Investments	1,825,596
Accounts Receivable	22,869,645
Notes Receivable	231,168
Inventory	2,552,879
Prepays and Other Current Assets	2,284,262
Total Current Assets	29,763,550
Property, Plant, and Equipment	
Land and Buildings	19,087,259
Transportation Equipment	142,624,909
Other Equipment	1,109,900
Other Property, Plant, and Equipment ¹	963,969
Accumulated Depreciation	(15,033,129)
Total Property, Plant, and Equipment	148,752,908
Other Intangibles	
Accumulated Amortization	7,086,125
	(1,298,457)
Other Intangibles, Net	5,787,668
Other Long-Term Assets	
	130,445
TOTAL ASSETS	184,434,571
LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities	
Current Liabilities	
Current Maturities of Long-Term Debt	2,171,453
Accounts Payable	6,424,431
Accrued Interest	461,208
Insurance Loss Reserve ²	6,970,545
Other Accrued Liabilities ³	8,916,678
Other Current Liabilities	2,118,496
Total Current Liabilities	27,062,811
Long-Term Liabilities	
Long-Term Debt	
Credit Facility	
Revolving Credit Debt	53,575,179
Term A Debt	11,250,000
Term B Debt	15,000,000
Total Credit Facility	79,825,179
Real Estate Mortgage Debt	1,508,084
Seller-Provided Purchase Money Debt	28,852,033
Total Long-Term Debt	110,185,296
Step Lease Liability	347,897
Other Long-Term Liabilities	-
Total Long-Term Liabilities	110,533,193
Total Liabilities	137,596,004
Stockholders' Equity	
Common Stock	48,885,500
Current Year's Earnings	(1,006,857)
Retained Earnings	(1,040,076)
Total Stockholders' Equity	46,838,567
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	184,434,571

¹Includes a temporary account for fixed or long-term assets into which such assets initially are booked upon the expenditures for same pending their final asset classification.

²Automobile and general liability and worker's compensation loss only.

³Includes group health insurance.

CUSA, LLC
Summary Consolidated Income Statement (Unaudited)
 Eight Months Ending August 31, 2004 (Year-to-Date Comparison to Budget)

	2004 YTD Actual	% Net Rev
Revenue		
Charter	\$62,088,109	42.6%
Sightseeing	16,978,038	11.7%
Scheduled Service	17,409,263	11.9%
Casino Line Run	9,903,658	6.8%
Airport Shuttle	6,470,539	4.4%
Contracts	36,836,121	25.3%
Other	7,897,565	5.4%
	Gross Revenue	157,583,293
Less Tour Expenses	(6,007,309)	-4.1%
Less Purchased Transactions	(5,877,390)	-4.0%
	Net Revenue	145,698,594
Operating Expenses		
Direct Service Expenses		
Drivers	38,532,533	26.4%
Other Operating	7,862,952	5.4%
Maintenance	19,860,060	13.6%
Insurance-Safety	9,102,912	6.2%
Variable Direct and Per Diems	4,301,545	3.0%
Direct (Commission)	4,691,677	3.2%
Fuel	14,488,270	9.9%
Transportation	730,274	0.5%
Facilities	3,641,118	2.5%
Taxes-License	2,249,711	1.5%
	Direct Service Expenses	105,461,052
	Gross Margin	40,237,542
General & Administrative		
G&A - Field Operations		
Salary and Benefits	8,373,741	5.7%
Other	5,554,336	3.8%
	G&A - Field Operations	13,928,077
	Regional EBITDA before Corporate Overhead	26,309,465
	Regional Depreciation	10,909,815
	Regional Amortization	183,835
	Operating Income (Loss) Before Corporate Overhead	15,215,815
G&A - Corporate		
Salary and Benefits	1,742,636	1.2%
Corporate Insurance & Safety Allocation	4,491,028	3.1%
Corporate Insurance - D&O	88,060	0.1%
Other	948,949	0.7%
	G&A - Corporate	7,270,673
	Total G&A	21,198,750
	Consolidated EBITDA	19,038,792
Depreciation	10,980,086	7.5%
Amortization	817,154	0.6%
	Operating Income (Loss)	7,241,552
Interest Expense	5,384,404	3.7%
Bank Charges	433,799	0.3%
Current Period Acquisition, Restructuring, or Non-Recurring Expenses	2,089,711	1.4%
Current Period Management Fee	333,336	0.2%
Loss (Gain) on Sale of Assets	7,159	0.0%
	Net Income (Loss)	(\$1,006,857)

CUSA, LLC
Consolidated Statement of Cash Flow (Unaudited)
Periods Ending August 31, 2004

	2004 YTD Actual
Operating Cash Flows	
Net Earnings	(\$984,857)
Depreciation Expense	10,980,086
Amortization Expense	817,154
Adjustment to Accumulated Depreciation for Vehicle Disposition	(115,922)
(Decrease) Increase in Deferred Income Taxes	-
Operating (Gains) Losses	-
Extraordinary (Gains) Losses	-
2003 Audit Adjustments	441,565
Change in Working Capital	
(Increase) Decrease in Receivables	(307,491)
(Increase) Decrease in Notes Receivable	(231,168)
(Increase) Decrease in Inventories	(184,541)
(Increase) Decrease in Other Current Assets	944,432
(Decrease) Increase in Payables	657,089
(Decrease) Increase in Accrued Interest	(71,157)
(Decrease) Increase in Insurance Loss Reserve	4,843,337
(Decrease) Increase in Other Accrued Liabilities	(23,102)
(Decrease) Increase in Other Current Liabilities	449,149
Change in Other Assets	(665,913)
Net Cash from Continuing Operations	16,548,661
Net Cash from Discontinued Operations	-
Total Cash Flow from Operations	\$16,548,661
Investing Cash Flows	
Cash Flow Provided by:	
Sale of Property, Plant, and Equipment	-
Sale of Other Non-Current Assets	-
Sale of Investments	-
Cash Used by:	
Purchase of/Investment in Property, Plant, and Equipment	(16,643,739)
Purchase of/Investment in Other Non-Current Assets	-
Purchase of Investments	-
Total Cash Flow from Investing	(\$16,643,739)
Financing Cash Flows	
Cash Flow Provided by:	
Issuance of Debt	
Credit Facility	
Revolving Credit Debt	4,576,526
Term Debt A	-
Term Debt B	-
Total Credit Facility	4,576,526
Real Estate Mortgage Debt	-
Seller-Provided Purchase Money Debt	1,657,328
Total Issuance	6,233,854
Cash Used for:	
Repayment of Debt	
Credit Facility	
Revolving Credit Debt	(5,890,515)
Term Debt A	(1,607,142)
Term Debt B	-
Total Credit Facility	(7,497,658)
Real Estate Mortgage Debt	(17,798)
Step Lease Liability (2003 Audit Adjustment)	347,897
Seller-Provided Purchase Money Debt	-
Total Repayment	(7,167,559)
Repurchase of Capital Stock	-
Payment of Cash Dividends	-
Other Financing Charges, Net	-
Other Long-Term Liabilities Non-Cash Adjustment	1,859
Total Cash Flow from Financing	(\$931,846)
Net Change in Cash	(\$1,026,924)
Beginning Cash	\$2,852,520
Ending Cash	\$1,825,596

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
HOU-000590942-09

PRODUCER

Marsh USA Inc.
1000 Main Street, Suite 3000
Houston, TX 77002
Attn: CHANTELLA MITCHELL 713-276-8656

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

- COMPANY
A AMERICAN HOME ASSURANCE COMPANY
- COMPANY
B ILLINOIS NATIONAL INSURANCE COMPANY
- COMPANY
C NATIONAL UNION FIRE INSURANCE COMPANY (AIG)
- COMPANY
D N/A

016276-CUSA-Liab-04-05 RAZ-O LIAB

INSURED

CUSA RAZ,LLC
DBA RAZ TRANSPORTATION COMPANY
11655 S.W. PACIFIC HIGHWAY
PORTLAND, OR 97223-8629

COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

3

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	GL1738037	09/16/04	09/16/05	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPI/OP AGG \$ 1,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 1,000,000 MED EXP (Any one person) \$ 5,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	CA9798679 CA9798680 (Texas)	09/16/04 09/16/04	09/16/05 09/16/05	COMBINED SINGLE LIMIT \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
C	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	BE2978215	09/16/04	09/16/05	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL	WC3715758	09/16/04	09/16/05	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
A		WC3715756 (California)	09/16/04	09/16/05	EL EACH ACCIDENT \$ 1,000,000
B		WC3715757 (NV,CO,AZ & AR)	09/16/04	09/16/05	EL DISEASE-POLICY LIMIT \$ 1,000,000 EL DISEASE-EACH EMPLOYEE \$ 1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER IS INCLUDED AS AN ADDITIONAL INSURED (EXCEPT AS RESPECTS ALL COVERAGE AFFORDED BY THE WORKERS COMPENSATION POLICY) AS REQUIRED BY WRITTEN CONTRACT, BUT ONLY FOR LIABILITY ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED.

CERTIFICATE HOLDER

" FOR INFORMATION ONLY"

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.

BY: John T. Riedel

John T. Riedel

MM1(3/02)

VALID AS OF: 10/11/04

RECEIVED
RECORDS MANAGEMENT

04 OCT 21 AM 9:25

STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

410 Seventeenth Street
Twenty-Second Floor
Denver, Colorado 80202-4437
bhf-law.com

October 20, 2004

Kevin R. Rohnstock
Attorney at Law
T 303.223.1154
F 303.223.0954
krohnstock@bhf-law.com

VIA FEDERAL EXPRESS

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: CUSA RAZ, LLC Application for Charter Bus Service Certificate

Dear Ladies and Gentlemen:

Enclosed please find an Application for Charter Bus Service Certificate for CUSA Raz, LLC, a Delaware limited liability company. CUSA Raz, LLC is in the process of purchasing substantially all of the assets of Raz Transportation Company, an Oregon corporation. We expect to close on the acquisition of the assets on Friday, October 29, 2004, and immediately assume control of the operations of Raz Transportation Company, at which time we will acquire the d/b/a "Raz Transportation Company." (We cannot file the necessary assumed business name form with the Washington Secretary of State until we complete the acquisition of the assets.) We anticipate that the transition of control of the operations to CUSA Raz, LLC should be seamless since we plan to use the same equipment and personnel that Raz Transportation Company currently uses to operate charter bus service in Washington under Certificate No.: CH000086. We respectfully request that, to the extent possible, you please expedite the processing of our application in order to ensure that we will have the proper authority to operate charter bus service in Washington beginning October 29, 2004.

Please find the following documents enclosed herewith: (i) a completed Application for Charter Bus Service Certificate, (ii) an Equipment List, (iii) a current balance sheet of CUSA, LLC (CUSA Raz, LLC is a wholly owned subsidiary of CUSA, LLC, a major operator of motor coach services in the south central and western United States, and since CUSA Raz, LLC has not yet begun operations, we cannot provide you with any financial information specific to CUSA Raz, LLC), (iv) a Certificate of Insurance, and (v) check no.: 191955 in the amount of \$150 for payment of the application fee.

Brownstein Hyatt & Farber, P.C.

Denver, Colorado T 303.223.1100 F 303.223.1111
Washington, D.C. T 202.296.7353 F 202.296.7009
Albuquerque, New Mexico T 505.244.0770 F 505.244.9266
Aspen/Vail, Colorado T 970.945.5302 F 970.384.2360

Washington Utilities and Transportation Commission
October 20, 2004
Page 2

Thank you in advance for your prompt attention to this matter. Please feel free to call me with any questions.

Respectfully submitted,



Kevin R. Rohnstock

Enclosures

cc: Jack Morgan
Steve Siegel
Chris Reiss

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