



### HOUSEHOLD GOODS CARRIER PERMIT APPLICATION



	Type of Household Goods Authority Requested - Check one	Fee Required
	Emergency temporary authority (to meet an urgent need for up to thirty days) - Complete pages 2 - 6 and Attachment E	\$ 50
_	Temporary authority (to meet a short-term need) – Complete pages 2 - 6 and Attachment A	\$ 250
	Permanent authority (at least six months must be served on a temporary provisional basis) – Complete pages 2 - 6 and Attachment A	\$ 550
×	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 2 - 6 and Attachment B	\$ 550
	Permanent authority to transfer or acquire control under the exceptions in WAC 480-15-260 – Complete pages 2 - 6 and Attachments B & C	\$ 250
	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 2 - 3 and include a statement WAY 1 5 2008	D \$ 250
	Name Change — Complete pages 2 - 3 and Attachment D	\$ 35
	Extension of authority – Complete pages 2 - 6 and Attachment A  WASH. UT. & TP. COI	MM \$ 550

	TYPE OF PAYMENT																	
	Che	eck		☐ Money Order ☐ Amex ☐ Mastero			stercard		□ <b>v</b> :	isa								
Amo	Amount: \$550. Expiration Date:																	
corre	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.																	
Nam	e (prin	ited):_	A	Sohr	$\sum_{i=1}^{n}$	rac	och	100		Dat	e:	4	1/23	3/0	8		_	
Signa	Name (printed): Date: 4/23/08 Signature: Title: Vice Resident + General Manager																	
	FOR OFFICIAL USE ONLY																	
Date 5	Filed:	-0	3	DO	L/SOS	S:		ID:	500	14	P	ermit	Issue	d; HC	j-			
Staff	Assig	ned:			irance			Inspe	ction:		Ι	Oocke	t #					
Rece	ption #	#:	()	<del>(1)</del>	126		•	L										
	111-0268-207-02 SSO OO 111-0268-202-01 111-0268-013-20																	

GENTLE GIANT MOVING CO

BUSINESS INFORMATION						
Name of Applicant Gentle Giart Moving Company (West), LhC (must be individual, partners of a partnership or corporation)						
Trade Name, if applicable Gavila Grant Moving Company, LLC						
Physical Address 29 Harding St., Somerville, MA 02143						
Mailing Address Sawl						
Telephone Number (617) 66/-3333 Fax Number (617) 868 - 4575						
UBI#Email: into agentlagiant.com						
TYPE OF BUSINESS STRUCTURE						
☐ Individual ☐ Partnership ☐ Corporation ☐ Other						
List the name, title and percentage of partner's share or stock distribution for major stockholders:						
Name Stock Distribution or Percentage of Shares						
Lawrence O'Toolor President 90%. John Parocha VP and Ganeral Mgr. 10%						
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:  House hold Goods Moung + Storage						
Briefly describe your experience in the transportation/household goods moving industry:  25 YB IN the Moving + Stange Industry						

Do you currently hold, or have you ever held, a permit to operate as a motor carrier of property?  □ No ② Yes If yes, please indicate your permit number
1100 H 163 If yes, prease material your permit number
Have you ever applied for and been denied a permit to operate as a motor carrier of property in Washington?
No ☐ Yes If yes, please explain
Do you currently operate interstate?   No Tes If yes, please indicate your USDOT# 373549  MC# 2/8 76 2
Do you operate interstate as an agent of another company? ◀No ☐ Yes If yes, what is the name of the company?
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 crime? ★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 attacked Fivancial You must complete the following financial statement or attach a balance sheet, profit and loss statement, or business plan.

Asse	ets	Liabilities	Liabilities			
Cash in Bank	\$	Salaries/Wages Payable	\$			
Notes Receivable	\$	Accounts Payable	\$			
Investments	\$	Notes Payable	\$			
Other Current Assets	\$	Mortgages Payable	\$			
Prepaid Expenses	\$	TOTAL LIABLITIES	\$			
Land and Buildings	\$	NET WORTH				
Trucks and Trailers	\$	Preferred Stock	\$			
Office Furniture	\$	Common Stock	\$			
Other Equipment	\$	Retained Earnings	\$			
Other Assets	\$	Capital	\$			
TOTAL ASSETS	\$	TOTAL LIABILITIES & NET WORTH	\$			

# Pescribe the equipment you will use (attach additional sheets if necessary). Year Make License Number Vehicle ID Number Gross Vehicle Weight

#### SAFETY AND OPERATIONS

List the person and position responsible for understanding and complying with the Federal Motor Carrier Safety Regulations (FMCSR) and Washington State Laws and commission rules (WAC) as described below. 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 DRIVER'S LICENSE (CDL) STANDARDS REQUIREMENT AND PENALTIES (Title 49, Code of Federal Regulations Part 383). If you operate commercial motor vehicles, your drivers must have a valid CDL.

DRIVER QUALIFICATION REQUIREMENTS: (Title 49, Code of Federal Regulations Part 391). Each of your drivers must meet minimum qualification requirements. You must maintain driver qualification files for each driver.

DRIVERS HOURS OF SERVICE (Title 49, Code of Federal Regulations Part 395). Each of your drivers must maintain hours of service logs. You must maintain true and accurate hours of service records for each driver.

CONTROLLED SUBSTANCE AND ALCOHOL USE AND TESTING (Title 49, Code of Federal Regulations Part 382 and Part 40). If you operate commercial motor vehicles, your drivers must be in a Controlled Substance and Alcohol Use and Testing program. You must have an alcohol and controlled substances testing program.

INSPECTION, REPAIR AND MAINTENANCE (Title 49, Code of Federal Regulations Part 396). You must systematically inspect, repair, and maintain all motor vehicles.

PARTS AND ACCESSORIES NECESSARY FOR SAFE OPERATION (Title 49, Code of Federal Regulations Part 393). You must maintain parts and accessories in a safe condition.

LIABILITY INSURANCE REQUIREMENTS (WAC 480-15-530). You must file and maintain proof of public liability and proper damage insurance (\$300,000 minimum coverage for vehicles under 10,000 pounds GVWR and \$750,000 minimum coverage for vehicles 10,000 pounds GVWR or more) CARGO INSURANCE REQUIREMENTS (WAC 480-15-550). You 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).

Momai	Daniel and
Name:	Position:
blass to co Clas	
John 1960 Cha	VP Gareral Manage

Annual Reports and Regulatory Fees (WAC 480	0-15-480). You must annually file a report of your
financial operations and pay regulatory fees.	, , , , , , , , , , , , , , , , , , , ,
Nomo:-	Position:

**OPERATIONAL RESPONSIBILITIES** 

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 the 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 (oversize or over-weight permits); Department of Revenue and Internal Revenue Service (taxes); and Employment Security.

Name: Position			
John tacocha VP + General Manage	Name: Sohn	0 1.	Position Waynes

#### **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 receive 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.

My employees are sufficiently trained to comply with commission rules regarding estimates, bills of lading, rates and charges and terms and conditions of household goods moves. In addition, my employees are sufficiently trained to comply with commission rules regarding vehicle operation, maintenance, and all other safety requirements. My company will provide a copy of the customer survey to each customer for whom we provide transportation service.

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.

Print name of applicant

Signature of Applicant

Date and Location

#### ATTACHMENT B

#### Transfer or Acquisition of Control

Applicant is seeking one of the following – please check or	ne:
☐ Transfer	
Current Name on Permit (Seller): Caylogix Ca	Sypotection
Current Trade Name on Permit (Seller)	re Moving Company
Address (Seller) 7/ S. Orcas, Scattle	
	Number (Seller) 206-755-010
Does the transfer of this permit fall under the provis If yes, please complete Attachment C.	ions of WAC-480-15-335? ≅No □ Yes
Have all fines or penalties owed to the commission	been paid? □ No 🛎 Yes
Has the closing annual report been filed with the con	mmission? ⊠No □ Yes
A customer may file a loss or damage claim for up to nine r or damage lawsuit for up to two years following a move. W filed by customers for loss or damage that occurred on mov transfer/acquisition?	Who will be responsible for handling claims
RELEASE OF AUTH	<u>IORITY</u>
I, the seller, have sold or otherwise released interest in my had HG-60620 to the following:	nousehold goods permit number
Name of Buyer: Gantle Giant Moving	
Trade Name of Buyer; Gavtle Gant Moving	Tina
We, as applicants, hereby jointly declare and affirm that all knowledge.	We are
	getting this
Seller's Signature	Signed by comount,
Buyer's Signature	Signed by Current owners - but I wanted you to have this to start.

Gentle Giant Moving Company, LLC dba Gentle Giant Moving Company (West), LLC

Gentle Giant Moving Company (West), LLC would like to apply for the "Transfer or Acquisition of Control" of Cavlogix Corp. dba TempStore Moving Company. Gentle Giant will not only be purchasing the assets of this business, but also keeping on the existing Operating Management.

Gentle Giant feels that the Transfer/Acquisition of Control is necessary to ensure a smooth transition from the current owner to the new applicant as there will be a continuation of the major aspects and functions of the business including employees and services. The customers will still be afforded the same (and anticipated improved) quality of services with the ability to deal directly with the company.

It is our desire to put forth a product in which the consumer will, if anything, gain and improved product do to the transfer. We would like to offer the same, but improved service to the customer

#### Gentle Giant Moving Co., Inc. dba Gentle Giant Moving Company (West), LLC Equipment Listing

Year	Make	License	Vehicle	Gross Vehicle
	Model	Number	ID Number	Weight
1997	Jeep Cherokee	B75800B	1J4GZ78Y2VC615706	000001
1994	Isuzu Trooper	B75984B	JACDH58V8R7925295	000001

L	CERTIFIC	ATE OF LIABILIT	Y INSUF	RANCE			ATE (MM/DD/YYYY) /21/2008		
	UCER (508)754-6817 FAX:		THIS CERT	IFICATE IS ISSI	UED AS A MATTE	R OF II	NFORMATION		
Wo]	pert Insurance Agency,	Inc.	ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR						
	John Street Place		ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.						
Wor	cester MA 01	INSURERS AF	FORDING COVE	NAIC #					
INSU				over Insura		22292			
Ger	tle Giant Moving Co, In	ıc.		monwealth					
	Harding Street		INSURER C:						
	•		INSURER D:						
Sor	merville MA 02	143	INSURER E:						
COV	RAGES			UE EOD TUE DOLL	OV DEDICE INDICATE	D. NOTW	THETANDING ANY		
REC	POLICIES OF INSURANCE LISTED BELO QUIREMENT, TERM OR CONDITION OF AN INSURANCE AFFORDED BY THE POL BREGATE LIMITS SHOWN MAY HAVE BEE	NY CONTRACT OR OTHER DOCUMEN LICIES DESCRIBED HEREIN IS SUB-	IT WITH RESPECT	TO WHICH THIS (	CERTIFICATE MAY BE	ISSUED (	OR MAY PERTAIN.I		
INSR	ADD'L	POLICY NUMBER	POLICY EFFECTIVE	POLICY EXPIRATION DATE (MM/DD/YY)		LIMITS			
LTR	GENERAL LIABILITY	POLIC I NOMBER	DATE (WWW.DD/TT)	DATE (WWW.DD/TT)	EACH OCCURRENCE	\$	1,000,000		
	X COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrent		300,000		
Α	CLAIMS MADE X OCCUR	ZDN 6671133 03	8/1/2007	8/1/2008	MED EXP (Any one perso		10,000		
	CEANING WADE 11 OCCOR	250 00/1105 00			PERSONAL & ADV INJU		1,000,000		
					GENERAL AGGREGATE		2,000,000		
	GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP		2,000,000		
	X POLICY PRO-								
	AUTOMOBILE LIABILITY  X ANY AUTO				COMBINED SINGLE LIM (Ea accident)	T \$	1,000,000		
A	ALL OWNED AUTOS SCHEDULEDAUTOS	AMN 7600375	8/1/2007	8/1/2008	BODILY INJURY (Per person)	\$			
	HIRED AUTOS  NON-OWNED AUTOS				BODILY INJURY (Per accident)	\$			
	NON-OWNED ACTOS				PROPERTY DAMAGE (Per accident)	\$			
	GARAGE LIABILITY				AUTO ONLY - EA ACCID	ENT \$			
	ANY AUTO					ACC \$			
	EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	AGG \$			
	OCCUR CLAIMS MADE				AGGREGATE	\$			
	OCCOR CLANVIS WIADE				AGGREGATE	\$			
	DEDUCTIBLE					\$			
	RETENTION \$					\$			
В	WORKERS COMPENSATION AND				WC STATU- TORY LIMITS	OTH- ER			
-	EMPLOYERS' LIABILITY  ANY PROPRIETOR/PARTNER/EXECUTIVE				E.L. EACH ACCIDENT	\$	1,000,000		
	OFFICER/MEMBER EXCLUDED?	WC000960-07 (MA)	1/1/2008	1/1/2009	E.L. DISEASE - EA EMPI	OYEE \$	1,000,000		
L	If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - POLICY	LIMIT \$	1,000,000		
Α	OTHER Motor Truck Cargo	IHN 7227067	8/1/2007	8/1/2008	\$500,000		per vehicle		
					\$10,000		Deductible		
DES	CRIPTION OF OPERATIONS/LOCATIONS/VEHICL	ES/EXCLUSIONS ADDED BY ENDORSEMEN	T/SPECIAL PROVISION	ONS	<del></del>				
Cov	erages subject to policy form	ns and conditions: Named in	sured, Gentl	e Giant Resto	ration & Conser	vation,	LLC		
CEI	RTIFICATE HOLDER		CANCELLATI	ON					
			SHOULD ANY	OF THE ABOVE DE	ESCRIBED POLICIES BE	CANCEL	LED BEFORE THE		
	For information purpo	EXPIRATION D	ATE THEREOF, TH	E ISSUING INSURER	WILL END	EAVOR TO MAIL			
		10 DAYS V	VRITTEN NOTICE TO	THE CERTIFICATE HOLD	ER NAMED	TO THE LEFT, BUT			
		FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE							
		INSURER, ITS AGENTS OR REPRESENTATIVES.							
			M Wolpert/WOLMR1						
1			M Wolpert/	WOLMR1	yruchen	A.A.	~****		

M Wolpert/WOLMR1

#### **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

#### **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

#### Gentle Giant Moving Company, Inc. and Affiliates

Consolidated Financial Statements

Years Ended December 31, 2007 and 2006

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3 Newton Executive Park Newton, MA 02462-1433 Telephone, 617,965,5959 Facsimile: 617,965,1792 www.rodinancpa.com

To the Stockholders Gentle Giant Moving Company, Inc. and Affiliates Somerville, Massachusetts

We have audited the accompanying consolidated balance sheets of Gentle Giant Moving Company, Inc. and Affiliates as of December 31, 2007 and 2006, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gentle Giant Moving Company, Inc. and Affiliates as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidated schedules of direct expenses, facility, general and administrative expenses, and other income (expense) are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Admen Lomen R

March 20, 2008

# Gentle Giant Moving Company, Inc. and Affiliates Consolidated Balance Sheets December 31, 2007 and 2006

#### Assets

	2007	2006
Current Assets		
Cash and Equivalents	\$ 729,137	929,826
Accounts Receivable, Net	588,358	505,820
Inventory	154,508	116,111
Prepaid Expenses	250,439	157,633
Prepaid Taxes	39,000	-
Due from Related Party	139,598	-
Other Receivables	144,992	91,995
Total Current Assets	2,046,032	1,801,385
Property and Equipment	8,102,898	7,641,532
Less: Accumulated Depreciation	2,083,676	1,621,815
	6,019,222	6,019,717
Other Assets		
Goodwill (Note B)	116,038	116,038
Security Deposits	90,780	81,753
zona, z spesie	206,818	197,791
Total Assets	\$ 8,272,072	8,018,893
Liabilities and Stockholders' Equity		
Current Liabilities		
Long-Term Debt, Current Portion (Note D)	\$ 195,888	166,494
Accounts Payable	 288,153	303,158
Accrued Expenses	495,824	524,141
Accrued Taxes	_	14,590
Customer Deposits	254,377	207,959
Total Current Liabilities	1,234,242	1,216,342
		Maria Ma
Long-Term Debt	3,735,106	3,870,484
Long-Term Debt, Net of Current Portion (Note D)	3,733,100	3,070,707
Stockholders' Equity		
Capital Stock	20,000	20,000
Additional Paid-In Capital	136,660	136,660
Noncontrolling Interest		1 211 422
1,01,01111011110	1,144,752	1,211,422
Retained Earnings	1,964,976	1,539,640
	1,964,976 36,336	1,539,640 24,345
Retained Earnings	1,964,976	1,539,640

The accompanying notes are an integral part of these financial statements.

# Gentle Giant Moving Company, Inc. and Affiliates Consolidated Statements of Income Years Ended

#### December 31, 2007 and 2006

	2007	<u>%</u>	<u>2006</u>	<u>%</u>
Sales	\$ 27,826,327	100.0	24,215,145	100.0
Direct Expenses	16,252,322	58.4	13,789,734	56.9
Gross Profit	11,574,005	41.6	10,425,411	43.1
Facility, General and Administrative Expenses	10,709,075	38.5	9,508,239	39.3
Income from Operations	864,930	3.1	917,172	3.8
Other Income (Expense), Net	(244,643)	(0.8)	(201,735)	(0.8)
Net Income before Taxes and Minority Interest	620,287	2.3	715,437	3.0
Income Taxes (Note B)	21,076	0.1	69,259	0.3
Net Income before Minority Interest	599,211	2.2	646,178	2.7
Noncontrolling Interest	56,670	0.2	(22,012)	(0.1)
Minority Interest in Gentle Giant Restoration's Earnings	(11,991)	***	(6,312)	***************************************
Net Income	\$ 643,890	2.4	617,854	2.6

The accompanying notes are an integral part of these financial statements.

Gentle Giant Moving Company, Inc. and Affiliates Consolidated Statements of Changes in Stockholders' Equity

Years Ended December 31, 2007 and 2006

	Capital Stock	Additional Paid-In <u>Capital</u>	Noncontrolling <u>Interest</u>	Retained <u>Earnings</u>	Minority Interest in Gentle Giant	Total
Beginning Balance, January 1, 2006	20,000	136,660	1,079,410	1,288,468	18,033	2,542,571
Capital Contributions		1	145,000	•	1	145.000
Distributions	•	1	(35,000)	(366,682)	t	(401,682)
Noncontrolling Interest	1	1	22,012	í	1	22,012
Net Income	ı	ı	i	617,854	į	617.854
Minority Interest	•		**************************************	#	6,312	6,312
Balance - December 31, 2006	20,000	136,660	1,211,422	1,539,640	24,345	2,932.067
Distributions	1	ı	(10,000)	(218,554)	·	(228,554)
Noncontrolling Interest	ı	1	(56,670)	•	1	(56,670)
Net Income	1	4	ŧ	643,890	t	643,890
Minority Interest	1	E	#	3	11,991	166.11
Ending Balance, December 31, 2007	20,000	136,660	1,144,752	1.964,976	36,336	3,302.724

RODMAN & RODMAN, P.C.

The accompanying notes are an integral part of these financial statements.

#### Gentle Giant Moving Company, Inc. and Affiliates Consolidated Statements of Cash Flows

#### Years Ended December 31, 2007 and 2006

		<u> 2007</u>	<u>2006</u>
Cook Flows from Operating Activities			
Cash Flows from Operating Activities: Net Income	\$	643,890	617,854
Adjustments to Reconcile Net Income to Net Cash	J	075,090	017,057
Provided by Operating Activities:			
Depreciation		461,885	415,793
Minority Interest		11,991	6,312
Noncontrolling Interest		(56,670)	22,012
(Increase) Decrease in:		(50,070)	22,012
Accounts Receivable, Net		(82,538)	(143,804)
Inventory		(38,397)	(9,893)
Prepaid Expenses		(92,806)	2,145
Prepaid Taxes		(39,000)	2,(45
Increase (Decrease) in:		(32,000)	
Accounts Payable		(15,006)	(36,022)
Accrued Expenses		(28,317)	220,868
Accrued Taxes		(14,590)	6,346
Customer Deposits		46,418	22,296
Net Cash Provided By (Used In) Operating Activities		796,860	1,123,907
Cash Flows from Investing Activities:			
Acquisition of Property and Equipment		(381,250)	(305,172)
Advances to Related Party		(139,598)	-
Net Advances to Employees and Others		(52,997)	(34,325)
Security Deposits Paid		(9,027)	(6,064)
Net Cash Provided By (Used In) Investing Activities		(582,872)	(345,561)
Cash Flows from Financing Activities:			
Proceeds from Long-Term Debt		-	300,000
Repayment of Long-Term Debt		(186,123)	(266,019)
Capital Contributions		-	145,000
Dividends Paid		(228,554)	(401,682)
Net Cash Provided By (Used In) Financing Activities		(414,677)	(222,701)
Net Increase (Decrease) in Cash and Equivalents		(200,689)	555,645
Beginning Cash and Equivalents		929,826	374,181
Ending Cash and Equivalents	\$	729,137	929,826

The accompanying notes are an integral part of these financial statements.

#### (A) Business Activity

Gentle Giant Moving Company, Inc. (GGMC) was incorporated and commenced business in January, 1985. GGMC moves private households and small and medium sized businesses locally, and ships household effects worldwide. In addition, GGMC also provides storage facilities.

Giant Associates (the Trust) was formed August 30, 2000 as a Massachusetts Business Trust. GGMC became a wholly owned subsidiary of the Trust. All stockholders of GGMC transferred their shares of stock to the Trust and became the holder of the same number of shares of beneficial interest in the Trust.

Gentle Giant Restoration and Conservation, LLC (GGR) was formed in 2004. Gentle Giant Restoration performs furniture restoration and other furniture repair. Gentle Giant Restoration is owned by three shareholders including Gentle Giant Moving Company, Inc. which owns 55%.

Gentle Giant Moving (NY), LLC (GGNY) was organized and commenced business in 2005, while Gentle Giant Moving (DC), LLC (GGDC) and Gentle Giant Moving (NC), LLC (GGNC) were organized and commenced business in 2006. The related companies provide the same services as GGMC.

Eastern ODP, LLC (Eastern) commenced business in 1997 and has dealt in various real estate transactions. In 2005, Eastern purchased the building and parking lot for the main warehouse and facility in Somerville, Massachusetts. JEK Realty, LLC (JEK) commenced business in 2006 and purchased land and a building adjacent to the Somerville, Massachusetts facility.

#### (B) Summary of Significant Accounting Policies

#### Principles of Consolidation

As required by FASB Interpretation 46, the Company, referring to all entities, has consolidated the following entities in the accompanying financial statements.

- Gentle Giant Moving Company, Inc.
- Giant Associates, Inc.
- Gentle Giant Restoration and Conservation, LLC
- Eastern ODP, LLC
- Gentle Giant Moving Company (NY), LLC
- Gentle Giant Moving Company (DC), LLC
- Gentle Giant Moving Company (NC), LLC
- JEK Realty, LLC

All material intercompany transactions and balances have been eliminated in the consolidation.

#### (B) Summary of Significant Accounting Policies (continued)

#### Cash and Equivalents

The Company considers investments with an original maturity of three months or less to be cash equivalents. The Company maintains cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits. As of December 31, 2007 and 2006, cash includes \$938,039 and \$914,867, respectively, in a separate Federated Automated Government Reserve Fund which is used as a sweep account from the operating account. This amount is not insured by the FDIC.

#### Accounts Receivable

The Company carries its accounts receivable at fair value less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on a history of past write-offs and collections and current credit conditions. Accounts receivable is net of an allowance for doubtful accounts of \$20,000 at December 31, 2007 and 2006.

#### **Income Taxes**

With the consent of its stockholders, GGMC elected under the Internal Revenue Code and the laws of the Commonwealth of Massachusetts to be an S corporation. In lieu of corporation income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. There is a provision for required state taxes.

The Trust has also elected to be an S corporation for federal tax purposes. However, the Trust will be subject to state income taxes on the combined profits of the Trust, GGMC and the GGMC's share of Gentle Giant Restoration's profit or loss.

GGNY, GGDC, GGNC, GGR, Eastern, and JEK are treated as partnerships for income tax purposes. Consequently, federal and state incomes taxes are not payable by, or provided for, the partnerships. Members are taxed individually on their share of partnership earnings. Partnership net profits and losses are allocated to the members in accordance with the Agreement.

#### Inventory

The inventory of supplies is stated at the lower of cost determined on the first-in, first-out method or market.

#### Financial Reporting

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

#### (B) Summary of Significant Accounting Policies (continued)

#### Property and Equipment

Property and equipment is stated at cost. Depreciation is calculated on straight-line and accelerated methods over the estimated useful lives of such assets. Expenditures for maintenance and repairs are charged to expense as incurred. The cost and estimated useful lives of property and equipment are as follows:

			Estimated
	2007	2006	<u>Useful Lives</u>
Moving Equipment	\$ 178,794	178,794	5 years
Office Equipment and Furniture	430,486	318,609	3 - 10 years
Computer Software	83,462	51,687	3 years
Storage Vaults and Equipment	1,002,156	841,626	5 - 10 years
Leasehold Improvements	545,562	478,720	5 - 25 years
Trucks	639,963	549,621	5 years
Building	3,082,107	3,082,107	39 years
Land	1,740,368	1,740,368	n/a
Parking Lot	400,000	400,000	15 years
,	\$ <u>8,102,898</u>	7,641,532	•

#### Goodwill

Goodwill represents the excess cost over fair value of net assets acquired through acquisitions. In accordance with Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, no amortization is recorded and goodwill is reviewed at least annually for potential impairment.

#### Advertising Costs

The Company has non-direct response advertising costs which are expensed as incurred. Advertising expense was \$591,693 and \$639,163 for the years ended December 31, 2007 and 2006, respectively.

#### **Donated Services**

The Company donates services to various non-profit organizations. No income is recorded and the costs are included in operating expenses.

#### Method of Presentation

Certain accounts and amounts in the 2006 financial statements have been reclassified in order to conform with the 2007 presentation.

#### (B) Summary of Significant Accounting Policies (continued)

#### Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers comprising the Company's customer base. As of December 31, 2007, one customer represented approximately 10% of the Company's total accounts receivable. There were no concentrations as of December 31, 2006.

#### Compensated Absences

Employees of the Company are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

#### (C) Demand Note Payable

The GGMC has available a \$1,000,000 line-of-credit with Cambridge Trust Company. GGR has available a \$25,000 line-of-credit with Cambridge Trust Company. As of December 31, 2007 and 2006, there were no outstanding balances on the lines-of-credit.

(D) Long	-Term Debt	2007	<u>2006</u>
Long-	term debt consists of the following:		
Decer \$8,333	payable to Cambridge Trust Company, due mber 2008, payable in monthly installments of 3 plus accrued interest on unpaid balances at plus 1.0%, secured by all business assets.	\$ 100,008	200,004
Octob of \$9, secure	payable to Cambridge Trust Company, due ber 1, 2030, payable in monthly installments 537, 7.1% interest (adjusted in 2011 and 2016), ed by a building, guaranteed by the Company he majority shareholder.	1,267 ,535	1,292,631
2025, 7.25% \$470, buildi	payable to Cambridge Trust Company, due October payable in monthly installments of \$9,707, interest, and a balloon payment of approximately 000 due at the end of the term, secured by a ng, guaranteed by the Company and the majority		
shareh	nolder.	1,287,274	1,308,292

#### (D) Long-Term Debt (continued)

	<u>2007</u>	<u>2006</u>
Note payable to Cambridge Trust Company, due October 2025, payable in monthly installments of \$7,840, 6.75% interest (adjusted in 2015), secured by a building, guaranteed by the Company and the majority shareholder.	1, 085,733	1,104,797
Note payable to Ford Motor Credit Corp., due April 2012, payable in monthly installments of \$668 with 0% financing, secured by a vehicle.	34,727	-
Note payable to Ford Motor Credit Corp., due April 2012, payable in monthly installments of \$668 with 0% financing, secured by a vehicle.	34,727	-
Note payable to Ford Motor Credit Corp., due January 2010, payable in monthly installments of \$855 with 0% financing, secured by a vehicle.	20,990	31,254
Note payable to Penna Trust, due October 2015, payable interest only until November 2012, 6.5% interest.	100,000 3,930,994	100,000 4,036,978
Less: Current Portion	195,888	166,494
Long-Term Debt, Net of Current Portion	\$ <u>3,735,106</u>	3,870,484
Maturities of long-term debt are payable as follows:		
2008 2009 2010 2011 2012 Thereafter	\$ 195,888 100,961 96,611 102,000 197,593 3,2 37,941 \$ 3,930,994	

Interest expense on long-term debt and other debt was \$283,463 and \$228,360 for the years ended December 31, 2007 and 2006, respectively.

#### (E) Related Party Transactions

The Company had intercompany transactions with GGR, a company in which it owns a 55% interest.

GGNY, Eastern, GGNC, GGDC, and JEK are owned personally by two shareholders of the Company.

GGMC leases a warehouse and offices from Eastern, which calls for monthly payments of \$20,000 per month through October 2025. GGMC leases property from JEK, which calls for monthly lease payments of \$10,000 per month through October 2025.

Due from related party in the amount of \$139,598 as of December 31, 2007 represented short-term non-interest bearing borrowing that will be repaid subsequent to year-end.

Throughout the year, the various entities have receivables and payables from other related entities. All related party transactions were eliminated for financial statement presentation.

#### (F) Operating Leases

GGMC leases its Somerville, Massachusetts primary warehouse and offices under an 20-year operating lease effective September 29, 2005 with Eastern. Rent expense under this agreement was \$253,440 and \$263,536 for the years ended December 31, 2007 and 2006, respectively, plus real estate taxes. Effective October 1, 2003, GGMC entered into a three year lease agreement for an adjacent parking lot and an additional parking lot. The terms of the agreement required GGMC to pay \$190,000 at inception. That amount is being amortized over the life of the agreement. Rent expense for the parking lots was \$34,000 and \$80,423 for the years ended December 31, 2007 and 2006, respectively, including other short-term agreements.

GGMC leases a satellite office and additional warehouse space in Framingham, Massachusetts under an operating lease. Effective June 2004, GGMC entered into a three-year lease agreement extending the original lease. The lease, which was effective July 1, 2004 through June 30, 2007, was at the rate of \$7,260 per month then increasing to \$7,551 per month for the final year. Effective July 1, 2007, GGMC is a tenant-at-will. GGMC is also responsible for a share of the operating expenses and taxes. Rent expense under these agreements was \$118,616 and \$114,463 for the years ended December 31, 2007 and 2006, respectively.

GGMC leases a satellite office in Providence, Rhode Island. Effective April 1, 2003, GGMC exercised its option to renew the lease through March 31, 2004 at a rate of \$2,940 per month. In December of 2003, GGMC exercised its option to renew the lease through March 31, 2006, which was subsequently extended through March 31, 2009. In accordance with the terms of the lease, GGMC will pay \$3,028 per month for the period April 1, 2004 through March 31, 2005 and \$3,119 for the remainder of the term. GGMC is also responsible for a share of the operating expenses. Rent expense under this agreement was \$39,420 and \$38,274 for the years ended December 31, 2007 and 2006, respectively.

#### (F) Operating Leases (continued)

GGMC leases satellite offices in Acton, Beverly, Franklin and Plymouth, Massachusetts and others with terms ranging from three years to tenant-at-will. Rent expense under these agreements was \$55,290 and \$48,644 for the years ended December 31, 2007 and 2006, respectively.

GGMC leases a satellite office and additional warehouse space in Needham, Massachusetts under an operating lease effective January 1, 2001 through December 31, 2010 at an initial rate of \$7,550 per month, escalating annually at a rate of \$.25 per square foot. GGMC is also responsible for a share of operating expenses and taxes. Rent expense under this agreement was \$119,727 and \$118,983 for the years ended December 31, 2007 and 2006, respectively.

GGMC leases a satellite office and additional warehouse space in Wilmington, Massachusetts under an operating lease effective September 1, 2001 through August 31, 2016. Effective August 1, 2005, the lease has been amended for additional space at the total of \$53,011 per month, escalating annually until September 1, 2011, at which time the monthly total will be \$59,833 per month until lease expiration on August 31, 2016. GGMC is also responsible for a share of the operating expenses and taxes. Rent expense under this agreement was \$806,538 and \$769,543 for the years ended December 31, 2007 and 2006, respectively.

GGMC leases a satellite office and additional warehouse space in Somerville, Massachusetts under an operating lease effective May 1, 2004 and ending on April 30, 2007 at an initial rate of \$2,933 per month, escalating annually by the increase in the Consumer Price Index. Effective June 1, 2007, GGMC extended the lease through May 31, 2009. In accordance with the terms of the lease, GGMC will pay \$3,270 per month for the period of June 1, 2007 through May 31, 2008 and \$3,384 for the remainder of the term. GGMC is also responsible for a share of operating expenses and taxes. Rent under this agreement was \$34,560 and \$35,196 for the years ended December 31, 2007 and 2006, respectively.

GGMC leases a satellite office and additional warehouse in Greenland, New Hampshire under an operating lease effective May 1, 2005 ending April 30, 2008, with a three-year option to extend until April 30, 2011, at an initial rate of \$1,350 per month, escalating annually at 3%. GGMC is also responsible for a share of the operating expenses and taxes. Rent under this agreement amounted to \$24,805 and \$21,937 for the years ended December 31, 2007 and 2006.

GGMC leases a satellite office and additional warehouse space in Nashua, New Hampshire under an operating lease effective July 1, 2005 ending June 30, 2010, at an initial rate of \$1,500 per month, escalating annually at a rate of an additional \$100 per month. GGMC is also responsible for a share of the operating expenses and taxes. Rent under this agreement amounted to \$19,800 and \$18,600 for the years ended December 31, 2007 and 2006, respectively.

#### (F) Operating Leases (continued)

GGMC leases a satellite office and additional warehouse space in Braintree, Massachusetts under an operating lease effective October 1, 2005 ending November 30, 2010, with a five-year option at a rate of \$4,853 per month through November 30, 2007 and \$5,338 per month from December 1, 2007 through November 30, 2010. GGMC is also responsible for a share of the operating expense and taxes. Rent under this agreement amounted to \$71,894 and \$80,029 for the years ended December 31, 2007 and 2006, respectively.

GGNY leases a satellite office and additional warehouse space in New York as a tenant-at-will. Rent under this agreement amounted to \$17,280 and \$15,571 for the years ended December 31, 2007 and 2006, respectively.

GGNC leases a satellite office and additional warehouse space in Charlotte, North Carolina under an operating lease effective June 1, 2006 ending May 31, 2008 at a rate of \$1,700 per month. GGNC is also responsible for a share of the operating expenses and taxes. Rent under this agreement amounted to \$33,894 and \$11,096 for the years ended December 31, 2007 and 2006, respectively.

GGDC leases a satellite office and additional warehouse space in Washington, D.C. under an operating lease effective July 2006 through July 2009 at a rate of \$2,031 per month. Effective January 16, 2007, GGMC increased the square footage of the space they are leasing and payments increased to \$3,958 per month. GGDC is also responsible for a share of the operating expenses and taxes. Rent under this agreement amounted to \$52,342 and \$13,049 for the year ended December 31, 2007 and 2006, respectively.

Future minimum rental payments under these agreements are as follows:

2008	\$ 968,395
2009	918,280
2010	866,908
2011	683,529
2012	695,019
Thereafter	2,667,137
	\$ <u>6,799,268</u>

The Company leases trucks under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2007. Future minimum rental payments under these agreements are as follows:

2008	\$ 755,710
2009	718,710
2010	706,234
2011	593,440
2012	 453,613
	\$ 3,227,707

#### (F) Operating Leases (continued)

Rent expense for trucks, including short-term rentals, was \$1,810,370 and \$1,526,096 for the years ended December 31, 2007 and 2006, respectively.

#### (G) Supplemental Disclosures of Cash Flow Information

Cash paid during the year for:	<u>2007</u>	<u>2006</u>
Interest	\$283,463	228,360
Income Taxes	\$75,059	76,460
Supplemental schedule of noncash investing activities:		
Property acquired through debt financing	\$80,140	1,300,000

#### (H) Capital Stock

At December 31, 2007 and 2006, the Company has authorized 2,000 shares of no par common stock, with 2,000 shares issued and outstanding.

#### (I) Retirement Plan

The Company sponsors a 401(k) plan for all eligible employees who elect to participate. The Company contributed, including fees, \$188,386 and \$152,589 to the plan during 2007 and 2006, respectively, in addition to amounts contributed by employees.

Supplementary Information

# Gentle Giant Moving Company, Inc. and Affiliates Consolidated Schedules of Direct Expenses Years Ended

#### December 31, 2007 and 2006

	<u>2007</u>	<u>%</u>	<u>2006</u>	<u>%</u>
Cost of Labor				
Salaries	\$ 8,603,641	30.9	7,250,282	29.9
Payroll Taxes	731,814	2.6	629,551	2.6
Workers' Compensation Insurance	562,355	2.0	489,618	2.0
Medical Insurance	322,719	1.2	251,578	1.1
Occasional Labor	152,584	0.6	166,051	0.7
Total Cost of Labor	10,373,113	37.3	8,787,080	36.3
Cost of Vehicles				
Maintenance and Damages	501,478	1.8	436,902	1.8
Fuel	746,346	2.7	627,902	2.6
Depreciation	222,231	0.8	211,037	0.9
Vehicle Lease	1,810,370	6.5	1,526,096	6.3
Insurance	230,263	0.8	282,167	1.2
Parking and Tolls	178,561	0.6	138,520	0.6
Excise Tax and Registration Fees	35,187	0.1	24,533	0.1
Weigh Fees	2,510	-	3,730	-
Total Cost of Vehicles	3,726,946	13.3	3,250,887	13.5
Other Direct Expenses				
Moving Supplies	1,092,392	3.9	906,322	3.7
Uniforms	60,999	0.2	46,169	0.2
Subcontractors	160,103	0.6	144,556	0.6
Interstate Travel	60,868	0.2	55,396	0.2
Cargo Insurance	101,066	0.4	99,228	0.4
Depreciation - Equipment and Crates	104,841	0.4	101,542	0.4
Claims	769,462	2.8	559,078	2.3
Allocated Costs Related to Intercompany Sales	(197,468)	(0.7)	(160,524)	(0.7)
Total Other Direct Expenses	2,152,263	7.8	1,751,767	7.1
Total Direct Expenses	\$ 16,252,322	58.4	13,789,734	56.9

See independent auditors' report.

#### Gentle Giant Moving Company, Inc. and Affiliates Consolidated Schedules of Facility, General and Administrative Expenses Years Ended

#### December 31, 2007 and 2006

		2007	<u>%</u>	<u>2006</u>	<u>%</u>
Personnel Expenses					
Salaries	\$	5,537,195	19.9	4,739,432	19.5
Payroll Taxes	4,	431,490	1.6	365,792	1.5
Insurance		173,842	0.6	209,153	0.9
Total Personnel		6,142,527	<u>22.1</u>	5,314,377	21.9
Office Space		144,278	0.5	140,940	0.6
Cost of Facility					
Lease		1,315,992	4.7	1,282,918	5.3
Utilities and Insurance		112,038	0.4	101,201	0.4
Repairs and Maintenance		268,673	0.9	210,893	0.9
Real Estate Tax		73,904	0.3	44,412	0.2
Depreciation - Leasehold Improvements		49,071	0.2	45,566	0.2
Total Cost of Facility		1,819,678	6.5	1,684,990	7.0
Other General and Administrative					
Office Supplies, Postage and Printing		324,264	1.2	324,134	1.3
Computer Support		164,160	0.6	124,661	0.5
Telephone		201,889	0.7	180,654	0.8
Advertising		541,693	1.9	639,163	2.7
Professional Fees		328,824	1.2	262,700	1.1
401(k) Contribution and Administration		188,386	0.7	152,589	0.6
Liability and Office Insurance		180,498	0.6	192,480	0.8
Depreciation - Office Equipment and Software		85,742	0.3	57,648	0.2
Dues and Registration		50,358	0.2	32,859	0.1
Travel and Entertainment		218,791	0.8	166,630	0.7
Education and Training		132,222	0.5	70,422	0.3
Bank Charges		6,789	-	7,080	-
Miscellaneous		77,849	0.3	47,412	0.2
Bad Debts		101,127	0.4	109,500	0.5
Total Other General and Administrative		2,602,592	9.4	2,367,932	9.8
Total Facility, General and Administrative Expenses	\$	10,709,075	38.5	9,508,239	39.3

See independent auditors' report.

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RODMAN & RODMAN, P.C.

# Gentle Giant Moving Company, Inc. and Affiliates Consolidated Schedules of Other Income (Expense) Years Ended December 31, 2007 and 2006

	2007	<u>%</u>	<u>2006</u>	<u>%</u>
Interest Income	\$ 43,572	0.2	31,377	0.1
Officers' Life Insurance	(4,752)	-	(4,752)	-
Interest Expense	(283,463)	(1.0)	(228.360)	(0.9)
Total Other Income (Expense)	\$ (244,643)	(0.8)	(201,735)	(0.8)

See independent auditors' report.

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RODMAN & RODMAN, P.C.

LOCAL
INTERSTATE
INTERNATIONAL
RESIDENTIAL
COMMERCIAL
MOVING AND
STORAGE

15 LOCÂTIONS IN:

MASSACHUSETTS

NEW HAMPSHIRE
NEW YORK
NORTH CAROLINA

RHODE ISLAND

VIRGINIA

May 3, 2008

Ms. Tina Leipski
WA Utilities and Transportation
Commission
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED

MAY 1 5 2008 WASH. UT. & TP. COMM

Re: Authority Application (Acquisition of Control)

Dear Tina:

Please accept our application for Household Goods Carrier Authority in Washington State. As we discussed, we are applying under the "Attachment B – Acquisition of Control" option.

Enclosed you will find the following:

- Application (Complete except for the signed Attachment B and the UBI number) (Both of those are in process and will be forwarded as soon as possible)
- Check for \$550 for the application fee
- o Equipment List
- Financials (Audited)
- Certificate of Insurance

I will forward the remaining two pieces of information as soon as it is available. Please let me know if there is any additional information you need to begin processing this paperwork.

Please feel free to contact me at 1-617-806-1110. Thank you for your assistance with this matter.

Regards,

Lisa Rivard

Director, Compliance and Risk Management

BEST OF BOSTON 7 TIME WINNER BEST MOVING COMPANY HALL OF FAME MEMBER



