

03-1158-CD
JAMES M. WALLACE. SR. vs. JAMES WALLACE, JR. et al.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

JAMES M. WALLACE, SR. and	:	
BETTY LOU WALLACE,	:	
Plaintiff	:	NO. 03- 1158. CD
vs.	:	Jury Trial Demanded
JAMES WALLACE, JR. and	:	
WALLACE TRANSPORTATION, INC.,	:	
a Pennsylvania Corporation	:	
Defendant	:	

NOTICE

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claims or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT FIND ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

COURT ADMINISTRATOR
COURTHOUSE
CLEARFIELD, PA., 16830
(814) 765-2641

FILED

AUG 06 2003

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

JAMES M. WALLACE, SR. and	:	
BETTY LOU WALLACE,	:	
Plaintiff	:	NO. 03-
vs.	:	Jury Trial Demanded
JAMES WALLACE, JR. and	:	
WALLACE TRANSPORTATION, INC.,	:	
a Pennsylvania Corporation	:	
Defendant	:	

COMPLAINT

AND NOW, come the Plaintiffs, James M. Wallace, Sr. and Betty Lou Wallace, who by and through their attorney, John R. Carfley, Esquire, file the following claim against the Defendants, as follows:

1. Plaintiffs are James M. Wallace, Sr. and Betty Lou Wallace, Husband and Wife, who presently reside at 430 Peterbilt Lane, Woodland, Clearfield County, Pennsylvania.

2. Defendants are James Wallace, Jr. whose address is 532 Peterbilt Lane, Woodland, Clearfield County, Pennsylvania, and Wallace Transportation, Inc., a Pennsylvania Corporation, with its place of business located at 532 Peterbilt Lane, Woodland, Bradford Township, Clearfield County, Pennsylvania.

3. Prior to May 9, 2003, plaintiffs and defendants had engaged in business operations in which they utilized, for the common good, certain items of equipment, employees, individuals, tools and other miscellaneous property as well as utility garages and other real estate wherein company equipment was garaged, stored, repaired and renovated.

4. On or about noon of May 9, 2003, the Sheriff of Clearfield

County served upon the plaintiffs a certified copy of a complaint for injunctive relief and a certified copy of a preliminary injunction entered by the court on May 9, 2003.

5. The matter of the issuance of the injunction and the veracity of that instrument are currently before this court for disposition, however, various other matters involving the ongoing business relationship of the plaintiffs and defendant require this court's intervention for purposes of determining liabilities and other responsibilities.

6. Coincident to the business relationship entered into by the Plaintiff and Defendant, Plaintiff transferred and/or traded a 1990 East Dump Trailer and a 1995 Kenworth Black/Blue Truck in order to acquire a new vehicle for use in the joint business venture undertaken by Plaintiffs and Defendants which trade resulted in an economic windfall to Defendant's company of over \$19,000.00.

7. The 1995 Kenworth hereinabove referenced was used to acquire a 2000 Black Peterbilt unit which was financed by the Defendant with legal title to the unit being established in the Defendant pursuant to those MV-1 forms attached hereto as Exhibit A.

8. The agreement reached by the Plaintiff and Defendant required the Plaintiff to pay all installments as they became due on this vehicle which installments were deducted from the Plaintiff's weekly payroll in a manner so as to satisfy each payment as it became due. It was further agreed between Plaintiff and Defendant that Plaintiff would hold equitable title to the vehicle during the installment sale and upon payment of all

installments in a timely fashion that the legal title to the said Unit would be delivered to the Plaintiff who would then exercise full right, legal title and interest in the said Unit consistent with his payments and ownership interest thereon.

9. Said arrangement began during calendar year, 2000, and continued until such time as the dissolution of the joint venture which occurred in May of 2003, all of which will be more fully set forth hereinafter.

10. It is further believed and therefore averred that the dump trailer hereinabove identified was used to purchase a 1998 East Trailer which was attached to Unit No. 014, a truck belonging to Wallace Transport which unit was used by the Defendant and continued to create revenue for the Defendant from the date of the transfer up until the dissolution of the partnership as aforesaid.

11. In addition the Plaintiff provided a pressure washer for trade-in which resulted in an \$800.00 windfall benefit to the Defendant for which the Plaintiff was never compensated.

12. On or about May 21, 2003, Defendant notified the Pennsylvania State Police that Unit No. 015 was being illegally operated by agents for the Plaintiff as a result of which said Unit was detained, seized and eventually transferred into the possession of the Defendant at or about 2:40 P.M. on that date.

13. At that time the said unit was driven to Wallace Transportation's Garage by agents of the Defendant and remains there or in use by the Defendant up to the present time.

14. On or about May 23, 2003, Wallace Transportation deducted a payment of \$490.00 for Truck No. 015 and retained an additional

\$150.00 for trailer rental which sums were deducted from Plaintiff's weekly paycheck consistent with the prior oral agreement of the parties even though the Unit had been detained by the Defendant and access to the Unit was denied to the Plaintiff for usage in the furtherance of his employment.

15. On or about Monday, May 30, 2003, a payment was once again deducted from the Plaintiff's paycheck in the amount of \$490.00 for payment of the lien on the 2000 Peterbilt Truck even though Defendant continues to retain possession of the vehicle and further refuses Plaintiff access to the Unit. Evidence of the deductions illegally and inappropriately made from the Plaintiff's weekly wages are evidenced by the wage statements affixed hereto as Plaintiffs' Exhibits B-1 through B-4.

16. It is believed and therefore averred that over the past four months the Defendant has neglected, refused and/or intentionally defrauded the Plaintiff by failing to pay the installments on the Unit to the appropriate lending institution even though said sums were deducted from the Plaintiff's weekly salary.

17. As a result of the actions of the Defendant, Plaintiff may be in jeopardy of losing his investment in the Unit and has further been defrauded from all past payments.

18. Defendant continues to convert property belonging to the Plaintiff and to refuse access, possession or control of the Unit by its rightful legal and equitable owner.

19. In addition to these actions Defendant stands liable to the Plaintiff for past payments totalling over \$50,000.00 as is

evidenced by the Statement of Account attached hereto as Exhibit C.

20. On or about the 19th day of May, 2003, Plaintiff terminated the independent contractual agreement between James M. Wallace, Sr. t/d/b/a J.M. Wallace Trucking and Wallace Transportation, Inc. by letter, a true and correct copy of which is attached hereto as Exhibit D.

21. Said letter referenced an Independent Contract Agreement entered into by the parties on the 16th day of November, 2002, a true and correct copy of which contract is attached hereto as Exhibit E.

22. Defendant now attempts to assert Paragraph 13 of that Agreement which is referenced as a covenant not to compete.

23. It is believed and therefore averred that the covenant referenced by the Defendant is too broad in geographic scope, and time to be enforceable under the laws of the Commonwealth of Pennsylvania.

24. It is believed and therefore averred that the Plaintiff has expended numerous funds purchasing items of equipment for use by the Defendant in and about his business.

25. These purchases are more fully itemized on the Invoices attached hereto as Exhibit F-1 through F-12..

26. As a result of actions of the Plaintiffs, Defendant stands liable to the Plaintiffs for sums exceeding \$100,000.00 for which claim is now made.

27. During the course of employment of the Plaintiff, James M. Wallace, Sr. by the defendant and subsequent to the acquisition of the 1995 Kenworth, the Plaintiff, James M. Wallace, Sr. entered

into a sales agreement with one, Stacy Lane, for the transfer of the 1995 Kenworth for the price or sum of \$12,000.00 which sum was to be paid at the rate of \$500.00 per month.

28. Payments pursuant to this oral sales agreement commenced in March of 2003 with payments being made to the Plaintiff, James M. Wallace, Sr. on a monthly basis until May of 2003 when the partnership dissolution occurred.

29. It is believed and therefore averred that subsequent to May of 2003, payments have been illegally and inappropriately demanded of Stacy Lane by the Defendant, Wallace Transportation, Inc., in conformity with the oral agreement entered into by the said James M. Wallace, Sr. and the said Stacy Lane, even though these sums were due and owing the Plaintiff, James M. Wallace, Sr., all to the detriment of the Plaintiff, James M. Wallace, Sr.

30. The said James M. Wallace, Sr. holds legal and equitable title to the 1995 Kenworth as aforesaid and is entitled to payment for the said vehicle consistent with the oral sales agreement entered into by the said Plaintiff and Stacy Lane.

31. The said defendant at the present time is illegally and unlawfully interfering with the contractual arrangement entered into by the Plaintiff, James M. Wallace, Sr. and Stacy Lane and continues to convert assets belonging to James M. Wallace, Sr. for the defendant's own use and benefit.

32. The said defendant continues to illegally hold the physical evidence of title to this unit to wit: the certificate of title issued by the Commonwealth of Pennsylvania, Department of Transportation, even though the Plaintiff, James M. Wallace, Sr.

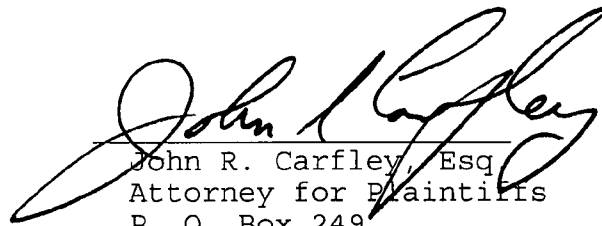
has paid all amounts due and owing on the said unit.

33. Defendant continues to utilize the legal title to the said 1995 Kenworth as collateral for other purchases at PACCAR Financial where he has engaged in the purchase of other tractor-trailer units.

34. Since the Plaintiff has made all payments due under his contract with the Defendant and further since the Defendant illegally retains the Certificate of title to the Unit, Plaintiff now demands the production of the Certificate of Title and the necessary documents of transfer so as to complete the transfer of ownership so as to vest legal and equitable title in the said Unit to James M. Wallace, Sr. as appropriate.

35. Defendant, James Wallace, Jr., is now operating Unit 015, in the furtherance of his own business activities, and is thereby creating revenue to benefit his company when, in fact, that property is owned by and is legally titled in Plaintiff's name.

WHEREFORE, Plaintiffs requests this Honorable Court to enter judgment in favor of Plaintiffs and against Defendants in an amount in excess of \$100,000.00.


John R. Carfley, Esq.
Attorney for Plaintiffs
P. O. Box 249
Philipsburg, Pa., 16866
(814) 342-5581

Dated: August 4, 2003

VERIFICATION

I hereby verify that the statements made in this instrument are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S. §4904 relating to unsworn falsification to authorities.

James M. Wallace Sr

Dated: August 4, 2003

No. 5679142

MV-1 (8/98)				I. TAX / FEES	
MAKE OF VEHICLE Peterbilt		VEHICLE IDENTIFICATION NUMBER (VIN), IF TRACING REQUIRED, OR IF THIS COPY 1XP5DB9884N51502		BODY TYPE (SDN, TK, BUS, ETC.) 11	MODEL YEAR 2000
GROSS VEHICLE WT. RATING 80,000		FUEL TYPE <input checked="" type="checkbox"/> DIESEL <input type="checkbox"/> ELECTRIC	DIN/MECHANIC 85-1502	AUTHORIZED NOTARY PUBLIC OR CERTIFIED INSPECTION MECHANIC (PRINT NAME) Esther T. Gerwick	
CHECK THE APPROPRIATE BLOCK IF THE VEHICLE IS TO BE USED OR WAS FORMERLY USED AS A: TAXI <input type="checkbox"/> OR A <input type="checkbox"/> POLICE VEHICLE (IF APPLICABLE)		SIGN HERE [Signature]		PURCHASE PRICE (See note on reverse) \$87,736.00	
LAST NAME (OR FULL BUSINESS NAME) Wallace Transportation, Inc.		FIRST NAME Wallace		DATE ACQUIRED 04/21/2000	
CO-PURCHASER		DEALER ID NUMBER (IF APPLICABLE)		LESS TAX CREDIT	
STREET Rt 1 Box 179		CITY Woodland, PA		COUNTY CODE 17SS	
NOTE: If a co-purchaser other than your spouse is listed and you want the title to be listed as "Joint Tenants With Right of Survivorship" (On death of one owner, title goes to surviving owner.) CHECK HERE <input type="checkbox"/> Otherwise, the title will be issued as "Tenants in Common" (On death of one owner, interest of deceased owner goes to his/her heirs or estate.)		SALES TAX DUE Exempt		1A. Exemption Reason Code (must be from 1 to 28 or 0)	
NOTE: IF THE VEHICLE IS BEING LEASED, CHECK THIS BLOCK <input type="checkbox"/> IF BLOCK IS CHECKED, COMPLETE AND ATTACH FORM MV-1L		ODOMETER READING 17,519		1B. EXEMPTION NO. PUCA-00113921	
REFLECTS THE AMOUNT OF MILEAGE IN EXCESS OF ITS MECHANICAL LIMITS <input type="checkbox"/> IS NOT THE ACTUAL MILEAGE <input type="checkbox"/> WARNING: ODOMETER DISCREPANCY		TENTHS 17		2. TITLE FEE \$22.50	
WARNING: FEDERAL AND STATE LAWS REQUIRE THAT YOU STATE THE MILEAGE IN CONNECTION WITH THE TRANSFER OF OWNERSHIP. FAILURE TO COMPLETE OR PROVIDING A FALSE STATEMENT MAY RESULT IN FINES AND/OR IMPRISONMENT.		3. LIEN FEE \$5.00		4. REGISTRATION OR PROCESSING FEE \$300.00	
1ST LIEN DATE 04/21/2000		2ND LIEN DATE		5. DUPLICATE REG. FEE \$0.00	
1ST LIEN HOLDER PACCAR Financial Corp.		2ND LIEN HOLDER		6. TRANSFER FEE \$0.00	
STREET 655 Business Center Dr. Suite 254		CITY Horsham		7. INCREASE FEE \$0.00	
STATE PA		ZIP 19044		8. REPLACEMENT FEE \$0.00	
FINANCIAL INSTITUTION NUMBER		MODEL YEAR		9. TOTAL PAID (ADD 1 THRU 8) Send One Check In This Amount \$327.50	
MAKE OF VEHICLE		VIN		CONDITION OF VEHICLE <input type="checkbox"/> GOOD <input type="checkbox"/> FAIR <input type="checkbox"/> POOR	
BODY TYPE (SDN, BUS, TK, ETC.)		PASSENGER <input type="checkbox"/> TAXI <input type="checkbox"/> LIMOUSINE <input type="checkbox"/> SCHOOL BUS <input type="checkbox"/> MASS TRANSIT <input type="checkbox"/> OTHER BUS <input type="checkbox"/>		SEATING CAPACITY	
MOTORCYCLE <input type="checkbox"/> MOTOR DRIVEN CYCLE <input type="checkbox"/> MOPED <input type="checkbox"/>		CYLINDER CAPACITY 50CC OR LESS <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/>		BRAKE HORSEPOWER 1.5 OR LESS <input type="checkbox"/> 1.6 TO 5.0 <input type="checkbox"/> OVER 5.0 <input type="checkbox"/>	
MOTOR HOME <input type="checkbox"/>		OPERABLE PEDALS <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/>		MAX DESIGN SPEED 25 MPH OR LESS <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/>	
CHASSIS MFR.		AUTOMATIC TRANSMISSION <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/>		DESIGNED/ALTERED FOR ROAD USE <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/>	
NUMBER OF AXLES		REQ. REGISTERED GROSS WT. (INCLUDING LOAD)		UNLADEN WT. (EMPTY)	
SUM OF GAWRS		GROSS COMBINATION WT. RATING		GROSS COMBINATION WT.	
TRUCK <input type="checkbox"/> TRUCK TRACTOR <input type="checkbox"/>		REQ. REGISTERED GROSS COMBINATION WT.		GROSS COMBINATION WT. RATING	
IMPLEMENT OF HUSBANDRY OR SPECIAL MOBILE EQUIPMENT		COMPLETE AND ATTACH FORM MV-190			
ORIGINAL PLATE <input checked="" type="checkbox"/> Check One		TRANSFER OF PREVIOUSLY ISSUED PLATE <input type="checkbox"/>		TRANSFER & RENEWAL OF PLATE <input type="checkbox"/>	
PLATE TO BE ISSUED BY BUREAU (PROOF OF INSURANCE MUST BE ATTACHED.)		TRANSFER & REPLACEMENT OF PLATE <input type="checkbox"/>		TRANSFER OF PLATE & REPLACEMENT OF STICKER <input type="checkbox"/>	
EXCHANGE PLATE TO BE ISSUED BY BUREAU		REASON FOR REPLACEMENT		NOTE: If "NEVER RECEIVED" block is checked, applicant must complete Form MV-44.	
TEMPORARY PLATE ISSUED BY FULL AGENT		LOST <input type="checkbox"/> STOLEN <input type="checkbox"/> DEFACED <input type="checkbox"/> NEVER REC'D (LOST IN MAIL) <input type="checkbox"/>			
PENDING		EXPIRES		TRANSFERRED FROM TITLE NO.	
SIGNATURE OF PERSON FROM WHOM PLATE IS BEING TRANSFERRED (IF OTHER THAN APPLICANT)		SIGN HERE		RELATIONSHIP TO APPLICANT	
INSURANCE COMPANY NAME Paradigm National		POLICY NO. (OR ATTACH BINDER) ATM0530-99		POLICY EFFECTIVE DATE 11/14/1999	
ISSUING AGENT INFORMATION		ISSUING AGENT SIGNATURE [Signature]		POLICY EXPIRATION DATE 11/14/2000	
I CERTIFY THAT ON MONTH Apr. DAY 21 YEAR 2000 I HAVE CHECKED TO DETERMINE THAT THE VEHICLE IS INSURED AND ISSUED TEMPORARY REGISTRATION TO THE ABOVE APPLICANT, IN COMPLIANCE WITH ALL APPLICABLE PROVISIONS OF THE VEHICLE CODE AND DEPARTMENT REGULATIONS.		ISSUING AGENT (PRINT NAME) Hunter's Truck Sales, Inc.		AGENT NO. 85-1502	
SUBSCRIBED AND SWORN TO BEFORE ME		FURTHER CERTIFY THAT ALL STATEMENTS HEREIN ARE TRUE AND CORRECT AND MAKE APPLICATION FOR CERTIFICATE OF TITLE FOR THE VEHICLE DESCRIBED IN BLOCK A.		TELEPHONE NO. (724) 791-2525	
SIGNATURE OF [Signature]		SIGNATURE OF INDIVIDUAL OR AUTHORIZED SIGNER [Signature]		MESSENGER NUMBER:	
SIGNATURE OF [Signature]		SIGNATURE OF CO-OWNER/TITLE OF AUTHORIZED SIGNER [Signature]			
SEAL		TELEPHONE NO. 814 857-5484			
SIGN IN		If your registration documents are not received within 60 days, please contact PennDOT			

Wallace Transportation, Inc
R R 1 Box 179
Woodland, Pa 16881
Ph 814-827-3484

COUNTY NATIONAL BANK
MAIN OFFICE, CLEARFIELD, PA

6676

60-627/313

5/16/2003

PAY TO THE
ORDER OF

J.M. WALLACE TRUCKING INC.

\$

DOLLARS

J.M. WALLACE TRUCKING INC.
430 PETERBILT LANE
Woodland PA 16881

MEMO

MP

⑈006676⑈ ⑆031306278⑆ 1⑈61161⑈5⑈

Wallace Transportation, Inc

J.M. WALLACE TRUCKING INC.

5/16/2003

6676

Leased Drivers Expense	8,126.70
Taxes:Heavy Vehicle	-75.00
Insurance:General	-90.00
Insurance:General	-100.00
Trailer Rent	-300.00
Truck Lease Income	-490.00
Salary Reimbursement Income	-2,247.59
Payroll Taxes Reimbursement Inc	-208.22
Fuel Expense	-2,902.33
Insurance:Health	
Truck Expense:Repairs	-1,713.56
Penalties & Fines	
Licenses and Permits	
Rent	
Taxes	
Miscellaneous	
Telephone	
Truck Expense	
CNB - Checking	

2290/bal 550



Wallace Transportation, Inc.
J.M. WALLACE TRUCKING INC.

3/31/2000

Leased Drivers Expense	6,061.37
Taxes: Heavy Vehicle	-50.00
Insurance: General	-60.00
Insurance: General	-50.00
Trailer Rent	-300.00
Truck Lease Income	-490.00
Salary Reimbursement Income	-1,814.56
Payroll Taxes Reimbursement Inc	-177.40
Fuel Expense	-1,141.11
Insurance: Health	-1,413.76
Truck Expense: Repairs	-279.50
Penalties & Fines	
Licenses and Permits	
Rent	
Taxes	
Miscellaneous	
Telephone	
Truck Expense	
CN3 - Checking	

2290/bal 550

285.04



6/6/2003

Wallace Transportation, Inc
R R 1 Box 179
Woodland, Pa 16881
Ph 814-837-5484

PAY TO THE
ORDER OF

J.M. WALLACE TRUCKING INC.

\$

DOLLARS

J.M. WALLACE TRUCKING INC.
430 PETERBILT LANE
Woodland PA 16881

VOID

MEMO

MP

⑈006827⑈ ⑆031306278⑆ 1⑈61161⑈5⑈

Wallace Transportation, Inc
J.M. WALLACE TRUCKING INC.

6/6/2003

6827

Leased Drivers Expense		3,305.35
Taxes: Heavy Vehicle		-50.00
Insurance: General		-60.00
Insurance: General		-50.00
Trailer Rent		-300.00
Truck Lease Income		-490.00
Salary Reimbursement Income		-843.64
Payroll Taxes Reimbursement Inc		-80.95
Fuel Expense		-659.67
Insurance: Health		
Truck Expense: Repairs		
Penalties & Fines		
Licenses and Permits		
Rent		
Taxes	2290/bal 550	-34.00
Miscellaneous		
Telephone		
Truck Expense		
CNB - Checking		

Tow Bill
2/20

-734.00



Wallace Transportation, Inc
RR 1 Box 179
Woodland, Pa 16881
Ph 814-837-5484

COUNTY NATIONAL BANK
MAIN OFFICE, CLEARFIELD, PA

6876

60-627/313

6/13/2003

PAY TO THE
ORDER OF

J.M. WALLACE TRUCKING INC.

\$

DOLLARS

J.M. WALLACE TRUCKING INC.
430 PETERBILT LANE
Woodland PA 16881

MEMO

VOID

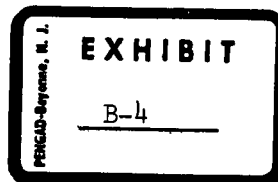
⑈006876⑈ ⑆031306278⑆ 1⑈61161⑈5⑈

Wallace Transportation, Inc
J.M. WALLACE TRUCKING INC.

6/13/2003

6876

Leased Drivers Expense	1,779.92
Taxes: Heavy Vehicle	-50.00
Insurance: General	-60.00
Insurance: General	
Trailer Rent	-150.00
Truck Lease Income	-490.00
Salary Reimbursement Income	-178.80
Payroll Taxes Reimbursement Inc	-21.79
Fuel Expense	-423.54
Insurance: Health	
Truck Expense: Repairs	
Penalties & Fines	
Licenses and Permits	
Rent	
Taxes	2290/bal 550
Miscellaneous	
Telephone	
Truck Expense	1000.00
CNB - Checking	-405.79





JM WALLACE TRUCKING INC
430 PETERBUILT LANE
WOODLAND, PA 16881
814-857-5370
FAX: 814-857-7151

STATEMENT OF ACCOUNT
TRUCK # 015 PETERBUILT

2000-----	\$15,130.00
2001-----	25,440.00
2002-----	25,480.00
2003-----	<u>9,800.00</u>

TOTAL-----\$ 75,850.00

STATEMENT OF ACCOUNT
TRUCK # 004 KENWORTH

1999-----	\$ 8,400.00
2000-----	18,200.00
2001-----	17,520.00
2002-----	<u>17,500.00</u>

TOTAL-----\$ 61,620.00



015

TRK pyment 2000

5-19	490.00
5-26	490.00
6-2	490.00
6-9	490.00
6-16	490.00
6-23	490.00
6-30	490.00
7-7	490.00
7-14	490.00
7-21	490.00
8-4	490.00
8-11	490.00
8-18	490.00
8-25	490.00
9-1	490.00
9-15	490.00
-22	490.00
9-8	490.00
9-29	490.00
10-6	490.00
10-13	460.00
10-20	460.00
11-27	490.00
1/10	490.00
1/17	490.00
-24	490.00
2-1	490.00
2-8	490.00
2-15	490.00
-22	490.00
2-29	490.00

Total
 pd
 as of
 5-16-03
 Reterbuilt
 2000

15,130.00
25,440.00
25,480.00
9,800.00
<u>75,550.00</u>

015

TRR Payment 2000

5-19	490.00
5-26	490.00
6-2	490.00
6-9	490.00
6-16	490.00
6-23	490.00
6-30	490.00
7-7	490.00
7-14	490.00
7-21	490.00
8-4	490.00
8-11	490.00
8-18	490.00
8-25	490.00
9-1	490.00
9-15	490.00
9-22	490.00
9-28	490.00
9-29	490.00
9-6	490.00
9-13	460.00
9-20	460.00
9-27	490.00
10-10	490.00
10-17	490.00
10-24	490.00
10-31	490.00
11-7	490.00
11-15	490.00
11-22	490.00
11-29	490.00

#C15 Trk Pymt. 2001

1-5	450.00	9-7	490.00
1-12	490.00	9-14	490.00
-19	490.00	9-21	490.00
1-26	490.00	9-28	490.00
2-9	490.00	10-4	490.00
2-16	490.00	10-12	490.00
2-23	490.00	10-19	490.00
2-2	490.00	10-26	490.00
3-2	490.00	11-2	490.00
3-9	490.00	11-8	490.00
3-16	490.00	11-16	490.00
3-23	490.00	11-21	490.00
3-30	490.00	11-30	490.00
4-6	490.00	12-7	490.00
4-13	490.00	12-14	490.00
4-20	490.00	12-21	490.00
4-27	490.00	12-28	490.00
5-3	490.00		
5-11	490.00		
5-18	490.00		
5-25	490.00		
6-1	490.00		
6-8	490.00		
6-15	490.00		
6-22	490.00		
6-29	490.00		
7-7	490.00		
7-13	490.00		
7-20	490.00		
7-27	490.00		
8-3	490.00		
8-10	490.00		
8-17	490.00		
8-24	490.00		
8-30	490.00		

#013 1-22 : ymc alpha.

1-4 ..	490.00	9-6	490.00
1-11	490.00	9-13	490.00
1-18	490.00	9-20	490.00
1-23	490.00	9-27	490.00
2-1	490.00	10-4	490.00
2-8	490.00	10-11	490.00
2-15	490.00	10-18	490.00
2-22	490.00	10-25	490.00
3-1	490.00	11-1	490.00
3-8	490.00	11-8	490.00
3-12	490.00	11-22	490.00
3-24	490.00	11-15	490.00
3-29	490.00	11-29	490.00
4-6	490.00	12-6	490.00
4-12	490.00	12-13	490.00
4-19	490.00	12-20	490.00
4-26	490.00	12-27	490.00
5-3	490.00		
5-10	490.00		
5-17	490.00		
5-22	490.00		
5-31	490.00		
6-7	490.00		
6-14	490.00		
6-21	490.00		
6-28	490.00		
6-5	490.00		
6-12	490.00		
6-19	490.00		
6-26	490.00		
6-2	490.00		
6-8	490.00		
6-16	490.00		
6-23	490.00		
6-31	490.00		

Trk pyments # 015 Interest

2003

1-3-03	490.00
1-10-03	490.00
1-17-03	490.00
1-24-03	490.00
1-31-03	490.00
2-7-03	490.00
2-14-03	490.00
2-21-03	490.00
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3-14-03	490.00
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3-28-03	490.00
4-4-03	490.00
4-11-03	490.00
4-18-03	490.00
4-25-03	490.00
5-2-03	490.00
5-9-03	490.00
5-16-03	490.00

#004

TRK T4MCS

1499

1-12-99	350.00
1-15-99	400.00
1-29-99	650.00
2-19-99	350.00
2-26-99	350.00
3-5-99	350.00
3-12-99	350.00
3-19-99	350.00
3-26-99	350.00
4-2-99	350.00
4-9-99	350.00
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5-14-99	350.00
5-21	350.00
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5-4	350.00
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5-18	350.00
5-25	350.00
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5-10	350.00
5-17	350.00
5-24	350.00
5-2	350.00
5-9	350.00
5-16	350.00
5-23	350.00
5-30	350.00

10-1	350.00
10-8	350.00
10-15	350.00
10-22	350.00
10-29	350.00
11-5	350.00
11-12	350.00
11-19	350.00
11-26	350.00
12-3	350.00
12-10	350.00
12-17	350.00
12-24	350.00
12-31	350.00

total- 61,620.00

1rk payment 2000

1-7 350.00
1-14 350.00
1-21 350.00
1-28 350.00
2-5 350.00
2-11 350.00
2-18 350.00
2-25 350.00
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3-10 350.00
3-17 350.00
3-24 350.00
3-31 350.00
4-7 350.00
4-14 350.00
4-21 350.00
4-28 350.00
5-5 350.00
5-12 350.00
5-19 350.00
5-26 350.00
6-2 350.00
6-9 350.00
6-16 350.00
6-23 350.00
6-30
7-7 350.00
7-14 350.00
7-21 350.00
7-28 360.00
8-4 350.00
8-11 350.00
8-18 350.00
8-25 350.00

9-1 350.00
9-8 350.00
9-15 350.00
9-22 350.00
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10-6 350.00
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10-20 350.00
10-27 350.00
11-10 350.00
11-17 350.00
11-24 350.00
12-1 350.00
12-8 350.00
12-15 350.00
12-22 350.00
12-29 350.00

#004 Payment Trk. 2001

-5	350.00	9-7	350.00
-12	350.00	9-14	350.00
19	350.00	9-21	350.00
26	350.00	9-28	350.00
-9	350.00	10-4	350.00
16	350.00	10-12	350.00
23	350.00	10-19	350.00
-2	350.00	10-26	350.00
-2	350.00	11-2	350.00
-9	350.00	11-8	350.00
-16	350.00	11-16	350.00
-23	350.00	11-21	350.00
-30	350.00	11-30	350.00
6	350.00	12-7	350.00
1-13	350.00	12-14	350.00
1-20	350.00	12-21	350.00
1-27	350.00	12-28	350.00
1-3	350.00		
-11	350.00		
-18	350.00		
-25	350.00		
-1	350.00		
-8	350.00		
-15	350.00		
-22	350.00		
-29	350.00		
-7	350.00		
-13	350.00		
-20	350.00		
-27	350.00		
-3	350.00		
-10	350.00		
-17	350.00		
-24	350.00		
-30	350.00		

#004

1-2K pymt 2002

1-4	350.00
1-11	350.00
1-18	350.00
1-23	350.00
2-1	350.00
2-8	350.00
2-15	350.00
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3-8	350.00
3-12	350.00
3-24	350.00
3-29	350.00
4-6	350.00
4-12	350.00
4-19	350.00
4-26	350.00
5-3	350.00
5-10	350.00
5-17	350.00
5-22	350.00
5-31	350.00
6-7	350.00
6-14	350.00

Wallace Transportation, Inc.
532 Peribiti Lane
Woodland, PA 16881
814-857-5484 *814-857-5497fax*

James M. Wallace, Sr. t/d/b/a
J.M. WALLACE TRUCKING
R.R. 1, Box 191A
Woodland, PA 16881

Re: Lease with Wallace Transportation, Inc.

Dear Mr. Wallace:

This letter constitutes formal notice of the termination of the independent contractor agreement between you and Wallace Transportation, Inc. This letter corresponds to the verbal termination notice that occurred on May 19, 2003.

Under the terms of the independent contractor agreement that you entered into with Wallace Transportation on November 16, 2002, there are two important contractual provisions that I would like to bring to your attention. So that you are fully mindful of them, I am attaching with this letter a copy of the independent contractor agreement that you signed.

Under paragraph 12 of the agreement, Wallace Transportation, Inc. is entitled to withhold from your final payment, monetary obligations which you owed to it. Attached to this letter is an itemization of the charges that you owed to Wallace Transportation. You are hereby given notice that they will be deducted from your final payment, pursuant to paragraph 12 of the independent contractor agreement.

I am also bringing to your attention the provisions of paragraph 13 of the independent contractor agreement. Under this portion of our contract, you are specifically prohibited from soliciting business or hauling freight for any shipper, receiver or broker that you served when you were leased to us. This prohibition extends for a period of 12 months from the date of termination of the lease. As noted above, the date of



James M. Wallace, Sr. t/d/b/a
J.M. WALLACE TRUCKING

Page 2

termination was May 19, 2003, meaning the restrictive covenant would continue to apply until May 19, 2004.

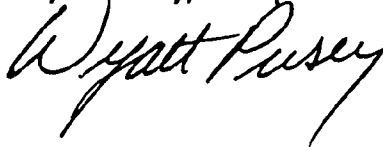
On May 19, 2003, you started displaying the placards of J.A.K. Transportation. I am assuming that you will continue to be leased to that company. It is important that you inform J.A.K. Transportation of the restrictive covenant that you signed, under paragraph 13 of your lease with Wallace Transportation, Inc., where you are prohibited from hauling freight for any shipper, receiver or broker under lease with our company for 1 year.

Our company has a firm commitment to insuring that you honor the provisions of paragraph 13 of the lease. That is why we are asking that you inform J.A.K. Transportation of the provisions of it. You will note that a violation of it on your part will result in a charge of 15% for the revenue that is generated by you for a 12 month period of time after the lease terminates, along with the assessment of attorneys' fees that we incur in enforcing the provisions of paragraph 13.

If you have any questions concerning the issues raised in this letter, I would urge that you review them with your attorney. Under that arrangement, your attorney and our attorney can work with each other in order to resolve the issues.

Very truly yours,

Wallace Transportation, Inc.
Wyatt Pusey, VP Operations



Enclosures: Copy of Lease
Itemization of Charges
cc: Dwight L. Koerber, Jr., Esquire

Lease # 119

INDEPENDENT CONTRACTOR AGREEMENT

This agreement, entered into on this 16 day of November, 2002, by and between WALLACE TRANSPORTATION, INC., of R.D. 1 Box 179, Woodland, Pennsylvania, 16881, referred to hereinafter as "Carrier",

A
N
D

The following named individual, referred to hereinafter as "Contractor":

Name:	Address:
<u>JM Wallace Trucking</u>	<u>RR 1 Box 191A</u>
Social Security No. or	<u>Woodland, PA 16881</u>
Federal Tax I.D. No.	
<u>25-1656082</u>	Phone No. <u>814-857-5370</u>

WITNESSETH:

WHEREAS, Carrier has been issued authority as a common carrier pursuant to a certificate issued by the Pennsylvania Public Utility Commission in Docket No. A-00113921 and by the Federal Highway Administration in Docket No. MC-318515.

WHEREAS, Carrier seeks to augment its ability to serve the shipping public by entering into this contract with individuals who own certain specified motor vehicle equipment and drive such equipment themselves, or furnish employee drivers of their own to drive the said motor vehicle equipment; and

WHEREAS, Contractor wishes to enter into this agreement with Carrier so as to furnish motor vehicle equipment and drivers in accordance with the terms set forth herein;

NOW THEREFORE, in furtherance of their mutual covenants as set forth hereinafter, and with the intention of being legally bound, the parties hereunto agree as follows:



- (1) This contract pertains to the following motor vehicle equipment:

<u>Serial Number</u>	<u>Year</u>	<u>Make</u>	<u>State and License No</u>
Tractor2XKDDDB9X4SM657474	1995	Kenworth	AE71153

Trailer Rental from Wallace Transportation, Inc.

- (A) If multiple units are involved, the data listed above shall be set forth in Appendix .
- (B) Contractor shall have the right to substitute equipment that meets DOT standards and if Contractor elects to do so, he shall promptly complete Appendix B, attached hereto.

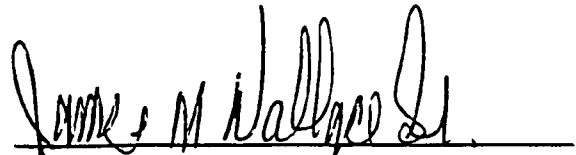
- (2) Contractor hereby covenants that he is the owner of the equipment Described in paragraph (1) above, and that he is authorized to enter into this agreement.

(3) The essence of this agreement between the parties entails the hiring of an independent contractor for the purpose of transporting shipments that Carrier tenders to the said independent Contractor to be handled through on a subcontract basis with Carrier. It is agreed that the nature of the services rendered by contractor shall be determined by the requirements of the customer of carrier and not carrier itself. Carrier will exercise that degree of administrative oversight necessary to comply with state, local and federal requirements, but in all other respects the method and means of operating are at the discretion of the Contractor, when providing services under this agreement.

- (3) As an independent contractor, Contractor recognizes that he does not have unemployment benefits or workmen's compensation benefits, and must withhold his own income tax as a self-employed individual. The essence of this independent contractor status has been acknowledged between the parties, and is one of the key ingredients, which underlies the relationship between Contractor and Carrier. In furtherance of this agreement, Contractor agrees that he, his heirs, assigns and representatives shall at no time take a position contrary to the agreement which the parties have hereby acknowledged wherein Contractor is recognized as a bona fide independent contractor, and should Contractor ever take a position contrary to this, through his heirs, assigns or representatives, he shall fully indemnify and hold harmless Carrier for any additional expense that it might incur, including all pertinent attorney's fees. In recognition of the significance of the language set forth herein, and in particular the obligation which Contractor undertakes to hold Carrier harmless and to pay any expenses that arise on this matter, Contractor is entering his signature below, to confirm that he is holding himself out as an

independent contractor, free from the control and direction of Carrier, and that in this capacity he considers himself to be a separate and independent business proprietor.

(4)


Signature
DATE: 1-10-03

(5) Contractor shall have the following rights when providing service on business tendered to him by Carrier:

- (A) The exclusive right to determine how particular shipments will be transported subject only to the necessity to meet pickup and delivery timetables, and any specific instructions set forth on the Bill of Lading or specifically required by shipper or consignee.
- (B) The right to determine how a particular shipment is loaded or unloaded from his vehicle, provided that in making decisions on this matter, Contractor shall act in full conformity with the reasonable requirements of the shipper and/or the consignee.
- (C) The right to turn down shipments tendered by Carrier, which Contractor does not wish to handle
- (D) The right to select the routes that will be utilized.
- (E) The right to utilize any qualified driver to operate the equipment which is the subject of this agreement, provided that such driver must satisfy all of the safety requirements promulgated by the United States Department of Transportation and the Pennsylvania Public Utility Commission.
- (F) The right to contract with other companies to provide transportation services after a particular shipment is delivered.
- (G) The right to determine the hours that Contractor will work pursuant to furnishing services under this agreement, provided that Contractor recognizes the need to comply with pickup and delivery times which are specified by a consignor or consignee that is being served.
- (H) The right to use substitute equipment for that which is identified on part (1) of this agreement, so as to provide the services outlined herein, with the understanding that such equipment must meet Department of Transportation safety requirements.

(6) Contractor shall render services under this agreement so as to comply with the following requirements:

- (A) Contractor shall comply at all times with all pertinent regulatory requirements promulgated by the Federal Department of Transportation, the Interstate Commerce Commission and the Pennsylvania Public Utility Commission.
- (B) Contractor shall make appropriate information calls to Carrier reporting any significant or unanticipated facts concerning a particular shipment that he is handling.
- (C) To the extent that Contractor elects to employ an individual to drive the motor vehicle equipment that is the subject of this agreement, then Contractor shall be deemed to be the sole and exclusive employer of that driver, and shall furnish to Carrier an appropriate certificate of insurance showing that workers' compensation is in effect for the employee that has been hired. Under no circumstances shall the driver so employed by Contractor be considered to be an employee of Carrier.
- (D) Contractor shall pay for all expenses associated with the operation of his equipment, including but not limited to the following items: fuel, maintenance, empty miles, tolls, overweight fines, safety fines, highway taxes, sales tax (when pertinent), licenses and all other incidental expenses associated with furnishing services as an independent contractor.
- (E) Contractor agrees to make certain that the driver providing service under this agreement wears presentable and appropriate attire.
- (F) Contractor shall keep current with Carrier a driver's file for each driver who operates a unit covered by the terms of this agreement. Such driver file must include all documentation and information required by all pertinent state and federal statutes and regulations.

(7) Contractor shall be paid 87.5 % percentage of the revenue generated by Carrier for the services rendered by Contractor under the terms of this agreement, with the parties specifically acknowledging, however, that Carrier's obligation to make payments shall be declared null and void if it does not receive payment from the shipper responsible for paying the freight charges. Contractor agrees to provide suitable and appropriate proof of such nonpayment in the event that an issue in this regard should arise.

(8) Carrier shall pay contractor on a weekly basis, with payment to be made 28 days after contractor has presented the required documentation for the shipments transported. In order to receive payment, contractor must furnish the following:

- (a) Signed delivery receipts.
- (b) Logs.
- (c) Mileage records.
- (d) Toll receipts.

(9) It is understood that Carrier shall have no obligation to furnish any specific number of loads to Contractor on a regular basis, but to the extent it is reasonably possible of carrier to do so, it will give as much advance notice possible of the dates when transportation services will be required from Contractor.

(10) To the extent that Carrier should extend an advance payment to Contractor, it is agreed that this sum shall be deducted from the total payment due to Contractor for handling the particular load, and this arrangement shall in no way alter Contractor's status as an independent Contractor.

(11) In order to comply with state and federal insurance requirements, Carrier will maintain liability insurance on the operations of Contractor's vehicle under the scope of this agreement. Carrier shall be responsible to reimburse Contractor on a dollar for dollar basis for this liability insurance, with the charges to be deducted on a proportionate basis on each payment that Carrier makes to Contractor for services provided under this agreement. In the event that either party wishes to terminate this agreement, the insurance coverage shall be terminated at the earliest date possible under the terms of the insurance policy and under federal and state regulatory requirements. There shall be a full accounting for the charges assessed against Contractor for such insurance.

(12) Upon termination of this agreement between the parties, it shall be the duty of Contractor to return to Carrier at its headquarters, all placards and copies of this lease and/or lease certification that had been in effect between the parties. Until all placards and lease certifications are returned by Contractor to Carrier, Carrier shall be entitled to withhold the final payment which would otherwise be made to Contractor for services rendered under the terms of this Agreement. In addition, Carrier shall have the right to deduct that sum of money necessary to cover any monetary obligation which Contractor owes to Carrier pursuant to Contractor's failure to comply with any term or provision of this agreement or any other written agreement with Carrier. If such deduction is made from the final revenue check of Contractor, it shall be the responsibility of Carrier to furnish a detailed, written explanation for such deduction.

(13) Contractor hereby covenants and agrees that it will not solicit business from or haul freight for any shipper, receiver or broker that it serves pursuant to the current lease/subcontracting arrangement it is now signing, and any violation of this limitation shall result in immediate termination of the present agreement. This limitation shall continue to apply for a twelve- (12) month period after termination of the present lease/subcontracting agreement with Carrier. If contractor fails to comply with the foregoing limitation, then Contractor shall pay to Carrier fifteen (15%) percent of all revenue generated by Contractor for the twelve (12) month period following termination of the lease/subcontracting agreement herein with Carrier, covering such revenue which

is derived from serving the shipper, receiver or broker which Contractor is prohibited from serving under this agreement. Contractor shall be responsible for the attorney's fees of Carrier incurred in enforcing this provision if it is shown that Contractor has violated the foregoing prohibition against soliciting/hauling freight.

(15) If any question or controversy should arise concerning the interpretation of the terms of this agreement, it is agreed that the laws of the Commonwealth of Pennsylvania shall be applied.

(16) It is understood and agreed that the heirs, administrators and assigns of the parties hereto shall be bound by all the terms, conditions, and clauses of this agreement as if mentioned in every provision herein.

(17) If any provision of this agreement is declared invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired in any way.

(18) This agreement constitutes the entire understanding between the parties and there are no covenants, conditions, representations, or agreements, either written or oral, of any nature whatsoever, other than those herein contained.

(19) The parties, with each retaining one of the originals are signing duplicate "originals" of this agreement.

(20) An appropriate certification shall be kept in the glove compartment of the motor vehicle equipment subject to this agreement, specifying that the contract may be reviewed and examined at the Carrier's principal place of business.

(21) This agreement shall last for a total of six (6) months from the date entered on page 1. It is understood, however, that failure to comply with terms of this agreement by either party shall be grounds for immediate termination of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year written below.

CARRIER:

WALLACE TRANSPORTATION INC.

By: James M. Wallace, Jr. Pres

James M. Wallace, President

Dated: 11-16-02

CONTRACTOR:

JM Wallace Trucking

James M. Wallace Sr.
Signature

Dated: 1-10-03

ATTACHMENT A

The parties agree to apportion their responsibility for maintaining cargo insurance on the shipments transported under this agreement. Carrier shall maintain cargo insurance in accordance with the levels directed by the federal government pertaining to common carrier operations. The first \$5,000.00 worth of loss and/or damage to cargo shall be the full responsibility of Contractor to pay, either directly to the claimant or through subrogation if payment is made directly by Carrier or its insurance company. As an alternative to paying the first \$5,000.00 worth of loss cargo claim, Contractor shall have the right to maintain additional insurance coverage for cargo claims, so that the subrogation/deductible level shall be reduced from \$5,000.00 to \$500.00 per claim. Regardless of what the deductible level is, the parties agree to accept the actions taken by the claims adjuster appointed by Carrier or its insurer to adjust a particular claim. In the event that Contractor elects to have such increased insurance coverage so as to reduce the deductible/subrogation level to \$500.00 per claim, he shall pay to Carrier \$10.00 per week, for each week to Contractor for services rendered. Such additional charge shall be assessed for each week in which contractor hauls at least one shipment under this agreement.

The parties agree to apportion their responsibility for maintaining liability insurance, for property damage and personal injury, for those operations that are performed under the terms of this agreement. Carrier shall maintain BI/PD liability insurance in accordance with the levels directed by the federal government for each accident of any liability claim for bodily injury or Contractor to pay, either directly to the claimant or through subrogation if payment is made directly by Carrier or its insurance company. As an alternative to paying the first \$2,500.00 of BI/PD liability claim, Contractor shall have the right to maintain additional insurance coverage for such claims, so that the subrogation/deductible level shall be reduced from \$2,500.00 to \$1,500.00 per claim. Regardless of what the deductible level is, the parties agree to accept the actions taken by the claims adjuster appointed by Carrier or its insurer to adjust a particular claim. In the event that Contractor elects to have such increased insurance coverage, so as to reduce the deductible/subrogation level to \$1,500.00 per claim, he shall pay to Carrier \$20.00 per week, for each unit covered by this agreement, which sum shall be deducted from Carrier's settlement check to Contractor for service rendered. Such additional charge shall be assessed for each week in which contractor hauls at least one shipment under this agreement.

Contractor shall be required to furnish his own deadhead and bobtail liability insurance with a minimum coverage of \$300,000.00 per accident. For the said deadhead/bobtail liability insurance, a Certificate of Insurance shall be furnished to Carrier, naming Carrier as an additional insured, with the understanding between the

parties being that the coverage of Contractor shall be primary, insofar as it pertains to operations of Contractor when he is deadheading or bobtailing in furtherance of his own affairs, rather than Carrier's affairs. The failure to furnish a Certificate of Insurance in order to confirm such coverage shall not constitute a waiver on the part of Carrier to insist upon strict enforcement of the provisions of this paragraph of the agreement herein.

As soon as reasonably possible to do so, Contractor shall report to Carrier any accident that occurs when Contractor is engaged in operations that are covered by the terms of this agreement.

I elect to have the following amount deducted from my weekly settlement check for deductible cargo insurance coverage: \$10.00.

I elect to have the following amount deducted from my weekly settlement check for the deductible for liability coverage: \$20.00.

1-10-03
Date

James M. Wallace Sr.
Signature

Verified by: James M. Wallace Jr.
Signature of company representative

APPENDIX A

Multiple Unit Form

This form shall be completed when multiple units are covered by the present contract. See Part (1) (a) of the agreement.

	Serial Number	Year	Make	State and License No.
<u>Tractor</u>	1XP5DB9X8YN549027	2000	Peterbilt	AE71164

Trailer

	Serial Number	Year	Make	State and License No.
<u>Tractor</u>	1FUJAPAV31LH20652	2001	Freightliner	AE49145

Trailer Rental from Wallace Transportation, Inc.

	Serial Number	Year	Make	State and License No.
<u>Tractor</u>	1FUPCXYB61LH20645	2001	Freightliner	AE86529

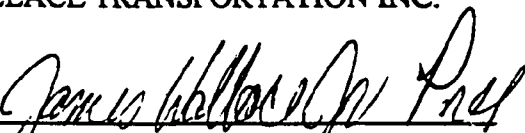
Trailer Rental from Wallace Transportation, Inc.

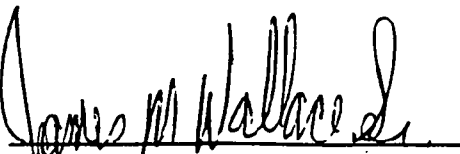
CARRIER:

CONTRACTOR:

WALLACE TRANSPORTATION INC.

By:


James M. Wallace, President


Signature

Dated:

11-16-02

Dated:

1-10-03

APPENDIX B

Replacement of Equipment Form

This form shall be completed when Contractor replaces the equipment originally covered by the agreement between the parties with a new unit. The parties hereby agree that all terms and conditions of the original agreement shall remain intact and apply to the equipment now being substituted.

Unless specified otherwise, the equipment listed below shall replace that equipment identified on page 1, or, as appropriate, Appendix A of the agreement between the parties.

Serial
Number

Year

Make

State and
License No.

Tractor

Trailer

CARRIER:

CONTRACTOR:

WALLACE TRANSPORTATION INC.

By: _____
James M. Wallace, President

Signature

Dated: _____

Dated: _____

LEASE CERTIFICATION

WALLACE TRANSPORTATION, INC., hereby certifies that the equipment identified below is being operated pursuant to a contract between itself and Contractor, as shown below. It is agreed that only the original lease certification, duly signed by an authorized representative of Carrier, shall be accepted as a means of proving that a lease/contract covering the subject equipment is in effect. Such agreement is dated 16 November, 2002, and continues in effect until 31 May, 2003.

An original copy of said contract/equipment lease is retained by Carrier at its headquarters at R.D. #1 Box 179, Woodland, Pennsylvania, 16881.

I. Name of Contractor: JM Wallace Trucking. Signature: James M. Wallace

II. Description of Equipment:

Serial Number	Year	Make	State and License No.
<u>Tractor 2XKDDB9X4SM657474</u>	<u>1995</u>	<u>Kenworth</u>	<u>AE71153</u>

Trailer Rental from Wallace Transportation, Inc.

WALLACE TRANSPORTATION, INC.

By: James M. Wallace

James M. Wallace, President

Date: 11-10-02

Wallace Transportation Garage

RD 1 Box 179
Woodland, PA 16881

Invoice

DATE	INVOICE #
3/10/2003	1106

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	pilot bearing	13.98	13.98
1	rebuilt starter	295.49	295.49
1	lamp (119B)	36.11	36.11
2	33276 5 inch Band Clamp(004)	10.00	20.00
2	Gallon of Oil (004)	3.00	6.00
2	one hour labor (004)	27.00	54.00
<i>1913.76 bal 5/23</i> <i>500.00 credit for license</i> <i>1413.76</i>		<i>5/23</i> <i>106.10</i> <i>bal 239.48</i>	



Total

\$425.58

total - 3179.86

Wallace Transportation Garage

RD 1 Box 179

Woodland, PA 16881

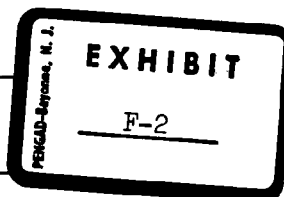
Invoice

DATE	INVOICE #
3/10/2003	1108

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	Rockwell Brake Kit (T-29)	5.85	5.85
0.5	One hour of Labor	27.00	13.50
		Total	\$19.35



Wallace Transportation Garage

RD 1 Box 179

Woodland, PA 16881

Invoice

DATE	INVOICE #
3/10/2003	1098

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	random drug, Gerald Smeal	15.00	15.00
1	random alcohol, Gerald Smeal	25.00	25.00
		Total	\$40.00



Wallace Transportation Garage

RD 1 Box 179
Woodland, PA 16881

Invoice

DATE	INVOICE #
3/24/2003	1122

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
4	4 inch strap (truck 119C)	15.00	60.00
1	Winch Bar (119C)	10.00	10.00
2	One New Trash tarp(119C)	270.00	540.00
4	4515 Brake Shoes(TRAILER 26)	20.91	83.64
	SWITCH (For Kenworth)	23.51	23.51
	SWITCH TOGGLE (For Kenworth)	23.72	23.72
			740.87



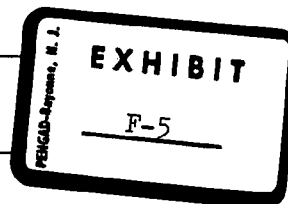
Total

Woodland, PA 16881

DATE	INVOICE #
4/7/2003	1139

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

[illegible]

Wallace Transportation Garage

RD 1 Box 179

Woodland, PA 16881

Credit Memo

DATE	CREDIT NO.
4/14/2003	1142

CUSTOMER
Jim Wallace, SR

P.O. NO.	PROJECT

DESCRIPTION	QTY	RATE	AMOUNT
One New Trash tarp	-2	270.00	-540.00
Total			\$-540.00

EXHIBIT

F-6

PERCUT-Bayonne, N. J.

Wallace Transportation Garage

RD 1 Box 179

Woodland, PA 16881

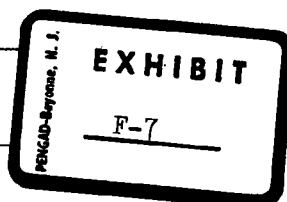
Invoice

DATE	INVOICE #
4/14/2003	1142

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
2	One Used Trash tarp	125.00	250.00
		Total	\$250.00



RD 1 Box 179
Woodland, PA 16881

DATE	INVOICE #
4/14/2003	1152

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

[illegible]

RENCAD-Beyenne, N. J.

EXHIBIT

F-8

Wallace Transportation Garage

RD 1 Box 179

Woodland, PA 16881

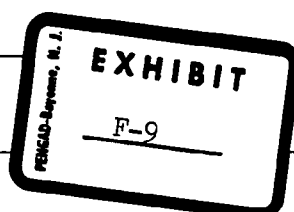
Invoice

DATE	INVOICE #
4/14/2003	1153

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	Change oil, filters and grease truck (truck 04)	75.00	75.00
		Total	\$75.00



Invoice

Wallace Transportation Garage

RD 1 Box 179

Woodland, PA 16881

DATE	INVOICE #
4/14/2003	1155

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	One Used Trash tarp (119C)	125.00	125.00
		Total	\$125.00



Wallace Transportation Garage

RD 1 Box 179

Woodland, PA 16881

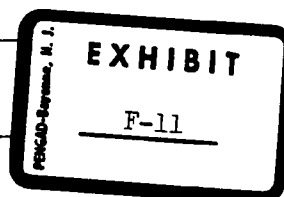
Invoice

DATE	INVOICE #
5/5/2003	1178

BILL TO
Jim Wallace, SR

P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	hub cap gasket (T-26)	1.00	1.00
1	One hour of Labor (grease and replaced tire T-26)	27.00	27.00
2	retreads (attached Purcell invoice)	130.00	260.00
		Total	\$288.00



Wallace Transportation Garage

RD 1 Box 179
Woodland, PA 16881

Invoice

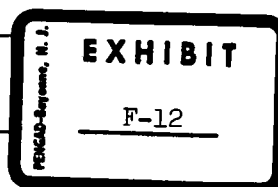
DATE	INVOICE #
5/12/2003	1186

BILL TO
Jim Wallace, SR



P.O. NO.	TERMS	PROJECT

QUANTITY	DESCRIPTION	RATE	AMOUNT
2	One hour of Labor (chaNGED 8 TIRES ON 119b ON 5/07/03)	27.00	\$54.00
		Total	\$54.00



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

JAMES M. WALLACE, SR. and :
BETTY LOU WALLACE, :
Plaintiff : NO. 03-1158-CD

vs. : Jury Trial Demanded

JAMES WALLACE, JR. and :
WALLACE TRANSPORTATION, INC., :
a Pennsylvania Corporation :
Defendant :

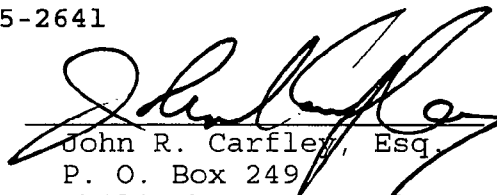
TEN DAY NOTICE OF DEFAULT

TO: James Wallace, Jr.
532 Peterbilt Lane
Woodland, Pa., 16881

IMPORTANT NOTICE

YOU ARE IN DEFAULT BECAUSE YOU HAVE FAILED TO TAKE ACTION REQUIRED OF YOU IN THIS CASE. UNLESS YOU ACT WITHIN TEN (10) DAYS FROM THE DATE OF THIS NOTICE, A JUDGMENT MAY BE ENTERED AGAINST YOU WITHOUT A HEARING AND YOU MAY LOSE YOUR PROPERTY OR OTHER IMPORTANT RIGHTS. YOU SHOULD TAKE THIS NOTICE TO A LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE FOLLOWING OFFICE TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

COURT ADMINISTRATOR'S OFFICE
CLEARFIELD COUNTY COURTHOUSE
CLEARFIELD, PA., 16830
(814) 765-2641


John R. Carfley, Esq.
P. O. Box 249
Philipsburg, Pa., 16866
Attorney for Plaintiffs

Dated: September 5, 2003

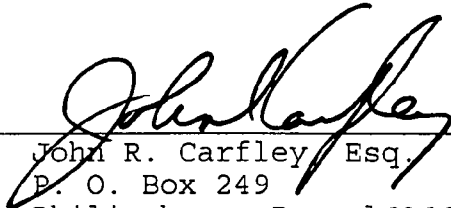
FILED

SEP 05 2003
012001nac
William A. Shoup
Prothonotary/Clerk of Courts

CERTIFICATE OF SERVICE

I hereby verify that a true and correct copy of the within document was served upon the following party at the following address on September 5 , 2003, by ordinary mail, first class, postage prepaid.

James Wallace, Jr.
532 Peterbilt Lane
Woodland, Pa., 16881


John R. Carfley Esq.
P. O. Box 249
Philipsburg, Pa., 16866
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

JAMES M. WALLACE, SR. and :
BETTY LOU WALLACE, :
Plaintiff : NO. 03-1158-CD
vs. : Jury Trial Demanded
JAMES WALLACE, JR. and :
WALLACE TRANSPORTATION, INC., :
a Pennsylvania Corporation :
Defendant :

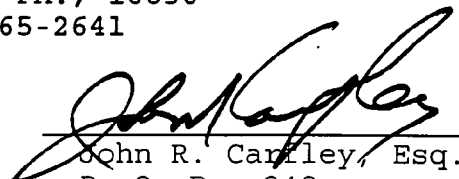
TEN DAY NOTICE OF DEFAULT

TO: WALLACE TRANSPORTATION, INC.
532 Peterbilt Lane
Woodland, Pa., 16881

IMPORTANT NOTICE

YOU ARE IN DEFAULT BECAUSE YOU HAVE FAILED TO TAKE ACTION REQUIRED OF YOU IN THIS CASE. UNLESS YOU ACT WITHIN TEN (10) DAYS FROM THE DATE OF THIS NOTICE, A JUDGMENT MAY BE ENTERED AGAINST YOU WITHOUT A HEARING AND YOU MAY LOSE YOUR PROPERTY OR OTHER IMPORTANT RIGHTS. YOU SHOULD TAKE THIS NOTICE TO A LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE FOLLOWING OFFICE TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

COURT ADMINISTRATOR'S OFFICE
CLEARFIELD COUNTY COURTHOUSE
CLEARFIELD, PA., 16830
(814) 765-2641


John R. Canley, Esq.
P. O. Box 249
Philipsburg, Pa., 16866
Attorney for Plaintiffs

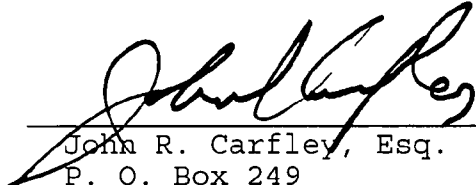
Dated: September 5, 2003

FILED
SEP 05 2003
012001nocc
William A. Shaw
Prothonotary, Clerk of Courts

CERTIFICATE OF SERVICE

I hereby verify that a true and correct copy of the within document was served upon the following party at the following address on September 5 , 2003, by ordinary mail, first class, postage prepaid.

Wallace Transportation, Inc.
532 Peterbilt Lane
Woodland, Pa., 16881



John R. Carfley, Esq.
P. O. Box 249
Philipsburg, Pa., 16866
Attorney for Plaintiffs

In The Court of Common Pleas of Clearfield County, Pennsylvania

WALLACE, JAMES M. SR. and BETTY LOU

VS.

Sheriff Docket # 14395

03-1158-CD

WALLACE, JAMES JR. and WALLACE TRANSPORTATION INC.

COMPLAINT

SHERIFF RETURNS

NOW AUGUST 12, 2003 AT 12:00 NOON SERVED THE WITHIN COMPLAINT ON JAMES WALLACE JR., DEFENDANT AT EMPLOYMENT, 532 PETERBILT LANE, WOODLAND, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO LARRY WELKER, DISPATCHER A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT AND MADE KNOWN TO HIM THE CONTENTS THEREOF.
SERVED BY: COUDRIET/RYEN

NOW AUGUST 12, 2003 AT 12:00 NOON SERVED THE WITHIN COMPLAINT ON WALLACE TRANSPORTATION, INC., DEFENDANT AT EMPLOYMENT, 532 PETERBILT LANE, WOODLAND, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO LARRY WELKER, DISPATCHER A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT AND MADE KNOWN TO HIM THE CONTENTS THEREOF.
SERVED BY: COUDRIET/RYEN

Return Costs

Cost	Description
27.97	SHERIFF HAWKINS PAID BY: ATTY CK# 15330
20.00	SURCHARGE PAID BY: ATTY CK# 15329

Sworn to Before Me This

23 Day Of Sept 2003
William A. Shaw

So Answers,

Chester A. Hawkins
by Maileigh Harris
Chester A. Hawkins
Sheriff

FILED

SEP 23 2003

SEP 23 2003

William A. Shaw
Prothonotary

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION**

James M. Wallace, Sr. and
Betty Lou Wallace,
Plaintiffs

-vs-

James Wallace, Jr. and
Wallace Transportation, Inc.,
a Pennsylvania Corporation
Defendant

*

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* Docket No. 03-1158-CD

*

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Type of Pleading:
PRELIMINARY OBJECTIONS OF
DEFENDANTS DIRECTED TO
PLAINTIFFS' COMPLAINT

Filed on behalf of:
Defendants:
James Wallace, Jr. and
Wallace Transportation Inc.,
a Pennsylvania Corporation

Counsel of record for
this party:

Dwight L. Koerber, Jr., Esquire
PA I.D. No. 16332

110 North Second Street
P. O. Box 1320
Clearfield, PA 16830
(814) 765-9611

FILED

SEP 15 2003

William A. Shaw
Prothonotary/Clerk of Courts

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION**

James M. Wallace, Sr. and
Betty Lou Wallace,
Plaintiffs

*

*

-vs-

*

Docket No. 03-1158-CD

James Wallace, Jr. and
Wallace Transportation, Inc.,
A Pennsylvania Corporation
Defendant

*

*

**PRELIMINARY OBJECTIONS OF DEFENDANTS DIRECTED
TO PLAINTIFFS' COMPLAINT**

COME NOW James Wallace, Jr. and Wallace Transportation, Inc., Defendants, by and through their attorney, Dwight L. Koerber, Jr., Esquire, and hereby files the within Preliminary Objections to Plaintiffs' Complaint pursuant to Pa. R.C.P. 1028.

1. Plaintiffs commenced this action on or about August 6, 2003, by filing a Complaint consisting of a total of 35 separate numbered paragraphs against Defendants, requesting relief both against James Wallace, Jr. and against Wallace Transportation, Inc.

2. Defendants hereby file their Preliminary Objections to the said Complaint, pursuant to Pa. R.C.P. 1028, for the following reasons:

(a) In order to commence this action, service is required to be made personally upon both Defendants. Instead, service was only made upon Larry Welker,

dispatcher of Wallace Transportation, Inc. which is insufficient to obtain jurisdiction over James Wallace, Jr. individually. For this reason, Preliminary Objections are appropriate pursuant to Pa. R.C.P. 1028(a)(1), pertaining to lack of jurisdiction over the person of the Defendant for improper service of Complaint.

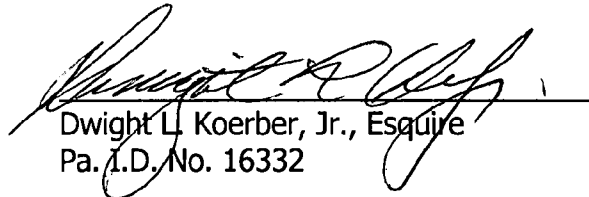
(b) Currently before the Court of Common Pleas of Clearfield County in Docket No. 03-699-CD is a pending proceeding where Plaintiffs have raised similar issues to those involved, in filing their Reply to the Petition for Contempt of Court. While Preliminary Objections have been filed to the Plaintiffs' claims in that case, the facts remain that these issues are currently pending before the Court of Common Pleas and as such, they constitute a prior action involving the same issues involved herein. Accordingly, Preliminary Objections are appropriate pursuant to Pa. R.C.P. 1028(a)(6) pertaining to pendency of a prior action.

(c) Plaintiff is seeking a jury trial, claiming that it was improperly deprived of certain assets, and for that is making a demand for monetary relief. At the same time, while demanding a jury trial in this Complaint, Plaintiff is seeking relief, under paragraphs 20 – 23 to obtain essentially declaratory relief, by requesting this Court to interpret the enforceability of the restrictive covenant set forth in paragraph 13 of the independent contractor agreement which is attached to the Complaint. A request for declaratory relief is not relief for which a jury trial can be held, and for that reason, it is improper to join a request for such declaratory relief with a request for money damages involving a jury trial.

Accordingly, Preliminary Objections are appropriate pursuant to Pa. R.C.P. 1028(a)(5) pertaining to misjoinder of a cause of action.

WHEREFORE, Defendants pray that their Preliminary Objections be granted and that the Complaint filed herein against them be dismissed.

Respectfully submitted,



Dwight L. Koerber, Jr., Esquire
Pa. I.D. No. 16332

Law Offices of Dwight L. Koerber, Jr.
110 North Second Street
P. O. Box 1320
Clearfield, PA 16830
(814) 765-9611

Attorney for Defendants:
James Wallace, Jr. and
Wallace Transportation, Inc.

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION**

James M. Wallace, Sr. and
Betty Lou Wallace,
Plaintiffs

*

*

-VS-

*

Docket No. 03-1158-CD

James Wallace, Jr. and
Wallace Transportation, Inc.,
A Pennsylvania Corporation
Defendant

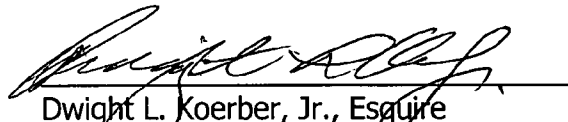
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CERTIFICATE OF SERVICE

This is to certify that on the 15th day of September, 2003, the undersigned served a true and correct copy of the foregoing Preliminary Objections of Defendants Directed to Plaintiffs' Complaint in the above-captioned matter upon John R. Carfley, Esquire. Such documents were served via United States First Class Mail upon the following:

John R. Carfley, Esquire
222 Presqueisle Street
P. O. Box 249
Philipsburg, PA 16866


Dwight L. Koerber, Jr., Esquire
Attorney for Defendants:
James Wallace, Jr. and
Wallace Transportation, Inc.

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
DOCKET NO: 03-1158-CD

James M. Wallace, Sr. and
Betty Lou Wallace

-VS-

James Wallace, Jr. and
Wallace Transportation, Inc.
a Pennsylvania Corporation

PRELIMINARY OBJECTIONS OF
DEFENDANT DIRECTED TO PLAINTIFFS'
COMPLAINT

FILED

lee

SEP 15 2003

3:24 PM
Amy Koerber

William A. Shay
Prothonotary/Clerk of Courts

LAW OFFICE
DWIGHT KOERBER, JR.
ATTORNEY-AT-LAW
110 NORTH SECOND STREET
P. O. BOX 1320
CLEARFIELD, PENNSYLVANIA 16830

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

JAMES M. WALLACE, SR. and
BETTY LOU WALLACE

-vs-

No. 03 – 1158 – CD

JAMES WALLACE, JR. and WALLACE
TRANSPORTATION, INC., a
Pennsylvania Corporation

ORDER

NOW, this 20th day of October, 2003, following argument in to Preliminary Objections filed on behalf of Defendants above-named, it is the ORDER of this Court that said objection raising the issue of lis pendens shall be and are hereby moot and therefore said objection dismissed.

Preliminary Objection with regards to insufficient service shall be and is hereby sustained and Plaintiffs directed to properly serve James Wallace Jr. as an individual defendant. And finally, Preliminary Objection raising the issue of improper jurisdiction of the claim for declaratory relief regarding the validity of the restrictive covenant shall be and is hereby sustained and said claim for relief dismissed.

By the Court,

President Judge

FILED

OCT 21 2003

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

JAMES W. WALLACE, SR. &
BETTY LOU WALLACE

Plaintiff

Vs.

JAMES WALLACE, JR. &
WALLACE TRANSPORTATION

Defendant

Case No. 03-1158-CD

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Praeipue to Discontinue

To the Prothonotary:

Please mark the above-referenced case Settled, Discontinued, and Ended.

7/10/07
Date

Filed by:

John R. Carfley, Esq.
Attorney for Plaintiffs

FILED No CC
JUL 13 2007 No Certificate
Requested
William A. Shaw
Prothonotary/Clerk of Courts