

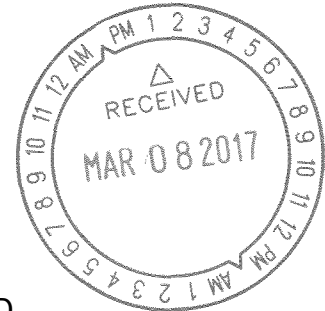
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March 8, 2017

242760
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VIA HAND DELIVERY

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

MCF -21075 -TA

ENTERED
Office of Proceedings
March 8, 2017
Part of
Public Record

**Re: MC-F-21075, Cavallo Bus Lines, LLC—Acquisition of Control of Assets—
White Knight Limousine, Inc.**

Dear Ms. Brown:

Please find enclosed an original and ten copies of the application for Cavallo Bus Lines, LLC to control of the assets of White Knight Limousine, Inc., together with a request for interim approval. Expedited action by March 17, 2017 is requested with respect to the application for interim approval. Checks in payment of the \$2200 filing fee for the application for acquisition of control and the filing fee of \$550 for the application for interim authority are also enclosed.

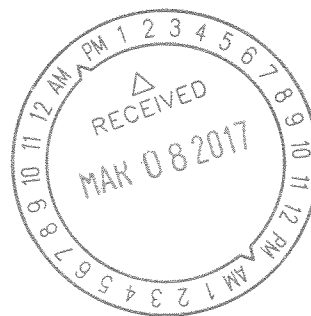
Respectfully submitted,

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Attorneys for Cavallo Bus Lines,
LLC

FEE RECEIVED
March 8, 2017
SURFACE
TRANSPORTATION BOARD

FILED
March 8, 2017
SURFACE
TRANSPORTATION BOARD



EXPEDITED ACTION REQUESTED

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. MC-F-21075 MCF-21075-TA

**CAVALLO BUS LINES, LLC—ACQUISITION OF CONTROL OF ASSETS—
WHITE KNIGHT LIMOUSINE, INC.**

**VERIFIED APPLICATION FOR CONTROL OF
MOTOR PASSENGER CARRIERS AND
REQUEST FOR INTERIM APPROVAL**

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Attorneys for Cavallo Bus Lines,
Inc.

March 8, 2017

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. MC-F-21075 TA

**CAVALLO BUS LINES, LLC—ACQUISITION OF CONTROL OF ASSETS—
WHITE KNIGHT LIMOUSINE, INC.**

REQUEST FOR INTERIM APPROVAL

Pursuant to 49 U.S.C. § 14303(i) and the Board’s rules at 49 C.F.R. §1182.7, Applicants Cavallo Bus Lines, LLC (“Cavallo”) and White Knight Limousine, Inc. (“White Knight”), both motor passenger carriers, hereby seek interim approval for Cavallo to control certain assets currently controlled by White Knight and used to provide certain motor carrier services. The parties request that the Board act on an expedited basis and issue a decision by no later than March 17, 2017 in order to allow Cavallo to assume interim control of those assets promptly for the reasons set forth below.

As explained further in the accompanying Verified Application for Control, Cavallo seeks to purchase the motorcoaches and contracts associated with White Knight’s contract and charter service in Missouri and Kansas. Cavallo will take over White Knight’s operations in this area and White Knight will sign a non-compete agreement prohibiting it from operating competing service for an agreed period of time. White Knight’s largest customers include the athletic departments of various universities in Kansas and Missouri and the Springfield Cardinals, a minor league baseball team in

Missouri. This work is seasonal as it revolves around the schedules of the university and the minor league team. White Knight does not wish to continue providing service to these customers for the upcoming spring sports season. Thus, if Cavallo is not ready and able to begin the service currently provided by White Knight when Spring sports begin at the universities and when the minor league baseball season begins, there may be some disruption of adequate and continuous service to the public as the customers are forced to make other arrangements. Further, if customers have to seek out other carriers because Cavallo is not able to provide service starting at the beginning of the season, the assets that Cavallo will acquire will be substantially devalued because the assets will not be able to generate significant revenue until at least the Fall semester when university athletics programs begin again. Alternatively, if interim approval is granted, Cavallo will start providing service to White Knight's current contract customers at the beginning of the Spring sports season while the application for permanent authority is pending. This will ensure continuous service to these customers without any interruption and ensure that these assets are not left unutilized for an entire season. Further, prompt action on this application will allow Cavallo to realize the full value of the assets for which it has bargained.

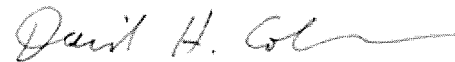
The parties have requested that the Board to issue a decision no later than March 17, 2017 because major customers currently served by White Knight will require transportation within a week or two after March 17th. A decision by March 17th is therefore necessary to ensure that any administrative and logistical issues with these customers are resolved before the start of the season. If Cavallo does not have authority

to control and operate the assets at issue by March 17th, these customers could seek out other carriers to provide transportation for the upcoming season.

The standards under 49 U.S.C. § 14303(i) and 49 C.F.R. §1182.7 for granting a request for interim approval are met here because, as noted, failure to grant such an interim approval may result in injury to the assets Cavallo seeks to acquire and may interfere or prevent the ability to provide continuous and adequate transportation services to the public. The Board has previously acted promptly on applications for interim approval filed in circumstances similar to those described here. *See Holland America Line Inc.—Acquisition—Royal Hyway Tours, Inc.*, STB Docket No. MC-F-21033 TA (served March 20, 2009) (interim approval granted within 15 days of filing in light of the fact that acquiring company needed time to make preparations for seasonal summer Alaska cruise business to ensure continued service and avoid injury to assets); *Stagecoach Group, plc and Coach USA, Inc., et al – Acquisition and Consolidation of Assets – Rockford Coach Lines, LLC*, STB Docket MC-F-21006 (April 29, 2004) (interim approval granted within 13 days of filing of request for approval in light of potential loss of service); *Holland America Line -Westours, Inc. - Control - Westours Motor Coaches, Inc., Evergreen Trails, Inc., Westmark Hotels of Canada Ltd., and Horizon Coach Lines Ltd.*, STB Docket No. MC-F-20988 TA (served Feb. 1, 2002) (granting application for interim approval seven days following filing where destruction of, or injury to, assets was threatened); *Northwest Motor Coach L.L.C. —Control—Evergreen Stage Line, Inc. and Evergreen Bus Co., Inc.*, STB Docket No. MC-F-20956 (served Oct. 18, 1999) (application for interim approval granted within two weeks of filing where current owners were unwilling to make further investment in carriers).

For the above reasons, the parties request that interim approval for the transaction described above be granted on an expeditious basis in order to ensure continuous service and prevent the devaluation of the assets involved.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "David H. Coburn", with a long, sweeping horizontal line extending to the right.

David H. Coburn
Christopher G. Falcone
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Attorneys for Cavallo Bus, Inc.

March 8, 2017

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. MC-F-21075

**CAVALLO BUS LINES, LLC—ACQUISITION OF CONTROL OF ASSETS—
WHITE KNIGHT LIMOUSINE, INC.**

**VERIFIED APPLICATION FOR CONTROL OF
MOTOR PASSENGER CARRIERS**

Pursuant to 49 U.S.C. § 14303(a), and the Board’s rules at 49 CFR Part 1182, Applicants Cavallo Bus Lines, LLC (“Cavallo”) and White Knight Limousine, Inc. (“White Knight”), both motor passenger carriers, seek authority for Cavallo to purchase and control certain assets (including motorcoaches and contracts) of White Knight.

As described in the accompanying Request for Interim Approval, the assets at issue are used in connection with a seasonal business that White Knight does not wish to continue operating. In order to avoid any loss of service to the public or possible destruction of the value of the assets being acquired, Applicants are simultaneously requesting interim control authorization from the STB pursuant to the terms of 49 CFR Section 1182.7. Such interim approval will allow Cavallo to exercise control over the operation of the White Knight assets as soon as possible in order to ensure the preservation of service for the upcoming Spring athletic season.

I. INTRODUCTION AND DESCRIPTION OF TRANSACTION

The transaction underlying this Application (“Transaction”) contemplates that the motorcoaches and contracts associated with the charter and contract services provided by White Knight in Missouri and Kansas will be sold to Cavallo. Cavallo will take over operation of these services and White Knight will sign a non-compete agreement prohibiting it from operating competing services. White Knight will also provide Cavallo a right of first refusal in the event that White Knight decides to sell its other transportation operations. The Transaction will not include the transfer of any operating authorities. Cavallo will provide the services at issue using its own operating authorities.

The Board has previously determined that similar transactions are subject to its approval jurisdiction under 49 USC § 14303, *i.e.*, transactions in which the assets of a motor passenger carrier are acquired by another carrier, with the carrier whose assets are acquired ceasing to conduct part or all of its business following the transaction. *E.g.*, *Conway’s Bus Service, Inc.—Sale of Certain Assets—Academy Express, L.L.C.*, STB Docket No. MC-F-21053 (served July 3, 2013); *Stagecoach Group plc and Coach USA, Inc., et al – Acquisition of Control – Eastern Travel & Tour, Inc.*, STB Docket No. MC-F-21029 (served Sept. 11, 2008); *Stagecoach Group plc and Coach USA, Inc., et al – Acquisition and Consolidation of Assets – Rockford Coach Lines, L.L.C.*, STB Docket No. MC-F-21006 (served May 14, 2004).

Following any Board approval of the request for interim control being filed herewith, operational control of the White Knight assets would shift to Cavallo. Cavallo would then oversee the provision of identical transportation services to White Knight’s customers in Missouri and Kansas.

II. DESCRIPTION OF THE PARTIES TO THE TRANSACTION

The parties to this transaction are as follows:

A. Cavallo Bus Lines, LLC

Cavallo is a limited liability company organized under the laws of Delaware. It is a motor passenger carrier headquartered at 509 Illinois Ave. Gillespie, Illinois, 62033.

Cavallo is wholly owned by BCPL, LLC, a non-carrier holding company. Cavallo is not affiliated with any other companies.

Cavallo operates its motor carrier service out of terminals in Gillespie, Illinois; Indianapolis, Indiana; and Springfield, Missouri. From these three terminals, Cavallo provides contract and charter service. It operates primarily in the Midwest but offers charter service nationwide. Cavallo's contract customers include public and private universities and colleges. Cavallo also provides airport transfer service in several Midwest cities, including St. Louis, Chicago, Indianapolis, and Kansas City. Cavallo currently operates approximately 110 motorcoaches. For the fiscal year ended December 31, 2016, Cavallo had total revenues of approximately \$20 million. Cavallo holds interstate operating authority issued to it under FMCSA Docket MC-101883 and has been assigned DOT number 124361. Cavallo also holds intrastate operating authority issued by Kansas and Missouri allowing it to operate between points in those states.

B. White Knight Limousine, Inc.

White Knight is a corporation organized under the laws of Missouri with its headquarters at 1500 Jade Road, Columbia, Missouri, 65201. White Knight is owned by

shareholders, Gerald Littell, Shirley Littell and Ted Littell. White Knight does not have any affiliates.

White Knight provides motorcoach charter and contract service as well as limousine and car services. White Knight's contract customers include university athletic departments and a minor league baseball team. White Knight operates primarily out of its location in Columbia, Missouri. However, it also leases some parking in Springfield, Missouri from which it occasionally conducts motorcoach operations. White Knight currently operates approximately 37 passenger motor vehicles (19 motorcoaches and 18 cars and limousines). For the fiscal year ended December 31, 2016, White Knight had total revenues of approximately \$4 million. White Knight holds interstate operating authority issued to it under FMCSA Docket MC-289901 and has been assigned DOT number 606041. White Knight also holds intrastate operating authority issued by Kansas and Missouri allowing it to operate between points in those states.

III. JURISDICTIONAL STATEMENT

As indicated above, Cavallo and White Knight have earned aggregate gross operating revenues well in excess of \$2 million during the fiscal year ended December 31, 2016. Accordingly, the jurisdictional threshold is met with respect to the acquisition of control that is the subject of this Application.

IV. OPERATING RIGHTS

As noted above, Cavallo holds federal interstate operating authority issued by FMCSA (MC-101883, DOT # 124361) as well as intrastate operating rights issued by Missouri and Kansas and White Knight holds federal interstate operating authority issued

by FMCSA (MC-289901, DOT # 606041) as well as intrastate operating rights issued by Missouri and Kansas.

V. GRANTING THIS APPLICATION IS CONSISTENT WITH THE PUBLIC INTEREST

The Board is required to approve the proposed acquisition of control if it finds that such control is consistent with the public interest. *See* 49 U.S.C. § 14303(b). In making its public interest determination, the Board is obligated to consider (A) the effect of the proposed acquisition of control on the adequacy of service to the public, (B) the impact on total fixed charges, and (C) the interests of carrier employees. *Id.* Judged by each of these factors, granting this Application would be consistent with the public interest.

A. The Transaction Will Benefit the Traveling Public

As a result of the proposed acquisition of control of the assets and businesses of White Knight by Cavallo, the value of those assets and the motor passenger operations provided with those assets will be preserved and the public will be assured of continued efficient and adequate service.¹ The White Knight assets will become part of Cavallo, a significantly larger carrier than White Knight. As a result, these operations will have access to increased capital resources as well as interest cost savings and reduced operating costs resulting from Cavallo's enhanced volume purchasing power. For example, the operations will benefit from Cavallo's ability to achieve volume discounts

¹ As noted above, the parties have simultaneously requested that the Board issue interim authority for Cavallo to acquire and control the assets at issue to avoid the possibility that those assets might be devalued during the pendency of this proceeding or that service may be interrupted.

on the purchases of motorcoaches, parts and fuel, each of which constitutes a major cost element for a motor passenger carrier. Cost savings will also be achieved through the centralization of administrative functions, such as accounting and coordinated purchasing services. In addition, vehicle sharing arrangements may be facilitated to ensure maximum utilization and operational efficiency of equipment. These cost savings will help ensure continued quality service to the public.

Further, the Transaction will have no adverse impact on competition. Although White Knight will be ceasing its charter and contract operations in Kansas and Missouri that currently compete with Cavallo's operations, numerous motor passenger carriers will continue to operate in that area, including Village Tours & Travel, Crossroads Travel, Viking Trailways, Husky Trailways, and Heartland Trailways. Thus, the Transaction poses no meaningful risk of a reduction in charter or contract bus competition. In addition, private auto travel provides an alternative to some of the services provided by Cavallo. As the Board concluded in *Notre Capital Ventures II, LLC and Coach USA, Inc. -- Control Exemption -- Arrow Stage Lines, Inc.; Cape Transit Corp.; Community Coach, Inc.; Community Transit Lines, Inc.; Grosvenor Bus Lines, Inc.; H.A.M.L. Corp.; Leisure Time Tours; Suburban Management Corp.; Suburban Trails, Inc.; and Suburban Transit Corp.*, STB Finance Docket No. 32876 (Sub No. 1), slip op. at 6 (served May 3, 1996) ("Coach/Arrow"), "[w]ith the low entry barriers and the pervasive intramodal and intermodal competition that characterizes the bus industry, most opportunities for abuse of market power are effectively foreclosed."

B. The Transaction Will Have No Adverse Impact on Fixed Charges

The Transaction will have no material adverse impact on the fixed charges of the parties. As noted above, interest charges associated with the operations at issue may decline as a result of the Transaction.

C. The Transaction Will Have No Material Adverse Impact on Employees

As to employee impacts, Cavallo intends to offer employment to the small number of employees currently providing the White Knight services at issue, provided that such employees meet certain minimum standards. Accordingly, the Transaction will not have a materially adverse impact on employment.

VII. SAFETY FITNESS CERTIFICATION

Applicants hereby certify that Cavallo and White Knight each hold a satisfactory safety rating issued by the U.S. Department of Transportation.

VIII. INSURANCE COVERAGE CERTIFICATION

Applicants hereby certify that Cavallo has the requisite insurance coverage under 49 U.S.C. § 13906.

IX. CERTIFICATION OF DOMICILE

Applicants hereby certify that Cavallo is not domiciled in Mexico or owned or controlled by persons of that country.

X. THE PROPOSED ACQUISITION WILL NOT HAVE A SIGNIFICANT ENVIRONMENTAL IMPACT

This Application contemplates the assumption of control of the assets of a carrier that already provides charter and contract bus services. Cavallo will use these assets to step into the shoes of White Knight to continue services that are already being provided. Thus, there will be no significant operational changes or adverse environmental impacts

as a result of the acquisition of control that is the subject of this Application.

Accordingly, there will be no significant effect on the quality of the human environment

or the use of energy resources, and environmental regulation pursuant to 49 C.F.R.

§ 1105.7 is unnecessary.

CONCLUSION

The Board should grant this Application for all of the reasons described above.

Further, Applicants respectfully urge the Board to act expeditiously on their request for interim relief and to grant this application for control as quickly as possible.

Respectfully submitted,



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Washington, D.C. 20036
(202) 429-3000

Attorneys for Cavallo Bus Lines,
LLC

March 8, 2017

VERIFICATION

I, David Warren, Chief Executive Officer of Cavallo Bus Lines, LLC, verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application relative to Cavallo Bus Lines, LLC is true and correct. Further, I certify that I am qualified and authorized to file this application or pleading. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated: March 6, 2017

A handwritten signature in dark ink, appearing to read "D. Warren", is written over a horizontal line.

David Warren
Chief Executive Officer
Cavallo Bus Lines, LLC

VERIFICATION

I, **Ted J. Littell, President of White Knight** verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application is true and correct. Further, I certify that I am qualified and authorized to file this application or pleading. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated: March 6, 2017



Ted J. Littell
President
White Knight Limousine, Inc.

CERTIFICATE OF SERVICE

I certify that I have this 8th day of March, 2017 served a copy of the foregoing

Verified Application for Control of Motor Passenger Carrier by hand delivery on:

Director of Operations
Antitrust Division
U.S. Department of Justice
950 Pennsylvania Ave. N.W. Room 303
Washington, D.C. 20530

Premarmer Notification Office
Bureau of Competition
Federal Trade Commission
Washington, D.C. 20580

Chief, Licensing and Insurance Division
U.S. Department of Transportation
Federal Motor Carrier Safety Administration
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

and by first class mail, postage prepaid on:

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Motor Carrier Services
PO Box 893, 1320 Creek Trail Drive
Jefferson City, Missouri 65102-0893

Kansas Corporation Commission
Transportation Division
1500 SW Arrowhead Road,
Topeka, Kansas 66604-4027



David H. Coburn