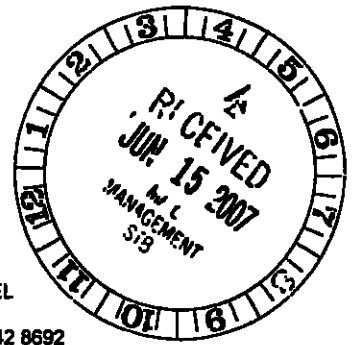




June 15, 2007

KENNETH SIEGEL
202 742 8602
Direct Fax 202 742 8692
kenneth.siegel@strasburger.com

The Honorable Vernon A Williams
Secretary
Room 1149
Surface Transportation Board
395 E Street, S W
Washington, D C 20423-0001

ENTERED
Office of Proceedings

JUN 15 2007

Part of
Public Record

FILED

JUN 15 2007

**SURFACE
TRANSPORTATION BOARD**

RE Finance Docket No MC-F-21022, Callen Hotard - Acquisition - Hotard Coaches, Inc

EXPEDITED HANDLING REQUESTED

FEE RECEIVED

JUN 15 2007

Dear Secretary Williams

**SURFACE
TRANSPORTATION BOARD**

Enclosed please find

- an original and 10 copies of the Verified Application of Callen Hotard for acquisition and control of Hotard Coaches, Inc ,
- a Request for Interim Approval of Management Control with a request for expedited handling,
- a floppy disk containing the proposed Federal Register notice in Microsoft Word format and a printed copy of the same,
- checks for the applicable filing fees, and a file copy of this letter to be date stamped to acknowledge the date and time we filed this application

For the reasons explained therein, we respectfully request the Board's expeditious handling of the Request for Interim Approval of Management Control.

Strasburger & Price, LLP

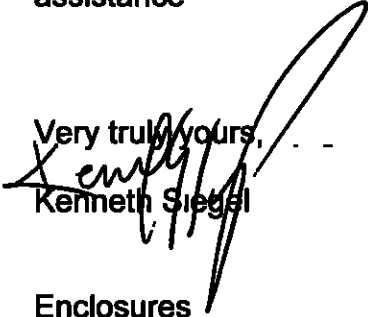
1800 K Street, NW, Suite 301 • Washington, D C 20006 2225 • 202 /42 8600 tel • 202 /42 8699 fax • www.strasburger.com
Austin • Collin County • Dallas • Houston • San Antonio • Washington D C • Mexico City



The Honorable Vernon A Williams
Washington, D C
June 15, 2007
Page 2

Please contact the undersigned, counsel for the purchaser, should you need further assistance

Very truly yours,


Kenneth Siegel

Enclosures

cc Louisiana Public Service Commission
Mississippi Dept of Transportation

ORIGINAL

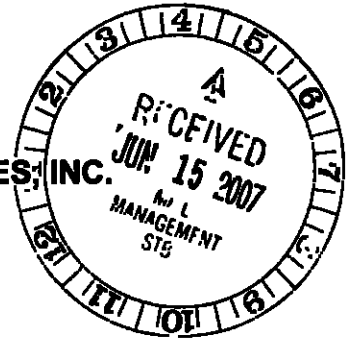
BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. MC-F 21022

CalLEN HOTARD - ACQUISITION OF - HOTARD COACHES, INC.

FILED

JUN 15 2007



**SURFACE
TRANSPORTATION BOARD VERIFIED APPLICATION**

Pursuant to 49 U S C § 14303 and the Board's rules at 49 CFR Part 1182,

Callen Hotard ("Hotard"), a non-carrier individual, seeks authority to acquire a controlling share of the stock of an additional motor passenger carrier Hotard also owns and controls 100% of motor passenger carrier Calco Travel, Inc Specifically, the transaction underlying this Application ("Transaction") contemplates that Hotard would acquire a controlling interest in the stock of Hotard Coaches, Inc ("Coaches") from Greyhound Lines, Inc ("Greyhound")¹ At the same time, Szeszycki Hospitality, L L C ("Hospitality"), a non-carrier, will acquire a minority interest in Coaches (A transaction not requiring Board authorization) Coaches would continue to hold its Federal Motor Carrier Safety Administraton ("FMCSA") motor passenger carrier operating license and continue to provide service to its charter customers

Verification statements executed by each of the parties to this Application attesting to the facts set forth in the Application are attached hereto²

ENTERED
Office of Proceedings
JUN 15 2007
Part of
Public Record

¹ At the time of this filing, Coaches is owned by Laidlaw Transportation Holdings, Inc ("LTHI") which obtained control of Coaches in MC-F-20959, *Laidlaw Inc and Laidlaw Transportation, Inc - Acquisition and ontrol - Hotard Coaches, Inc , and Coastliner, D/B/A Mississippi Coast Limosine, Inc , Feb 3, 2000 and MC-F-20998, Laidlaw Inc - Intra-Corporate Fairly Transaction Exemption, Feb 21, 2003* In a transaction simultaneously with closing, LTHI will dividend the Coaches' stock to its subsidiary, Greyhound

² In addition, Applicants have supplied the Board with a draft Federal Register Notice

FEE RECEIVED

JUN 15 2007

**SURFACE
TRANSPORTATION BOARD**

I. INTRODUCTION AND DESCRIPTION OF TRANSACTION

The Transaction involves the sale of all outstanding stock of Coaches by Greyhound to Hotard and Szeszycki, with Hotard to hold a controlling stock interest in Coaches³ The Transaction is evidenced by a Stock Purchase Agreement ("Agreement") that the parties entered on June 7, 2007 Following completion of the transaction, Coaches will continue to operate and provide transportation services It is anticipated that the traveling public will experience a seamless continuation of motor coach operations

No closing of the Transaction will occur until after a Voting Trust Agreement for the shares of Coaches to be acquired by Hotard has been approved by the Secretary of the Board and signed by Hotard and the Trustee

Approval of this Application is consistent with the public interest standard set forth in 49 U S C § 14303(b), as discussed further below Further, for reasons set forth in an accompanying Request for Interim Approval, Applicant seeks interim management control of Coaches pending action on this Application in order to preserve the value of the latter company, which may otherwise be at risk

Greyhound desires to have its ownership and the expenses involved in the operation of Coaches removed from its books by the end of the second quarter of 2007 The only way of accomplishing this goal, other than terminating the operations of Coaches, is to transfer ownership of the shares of Coaches to a Board approved Voting Trust pending approval of this Application by the Board and the granting of interim management control to Hotard

³ A member of Buyers family formerly owned Coaches before selling its stock to Greyhound's parent company in 2000, see n 1 above

II. DESCRIPTION OF THE PARTIES TO THE TRANSACTION

The parties to this transaction are as follows

A. Callen Hotard and Calco Travel, Inc.

Applicant Callen Hotard is an individual Mr Hotard resides at 1711 Cabanose Ave , Lutcher, LA 70071 Mr Hotard is owner and President of Calco Travel, Inc , which is a subchapter S corporation incorporated under the laws of the state of Louisiana Calco operates as a charter bus company providing both local and nationwide charter service for preformed groups pursuant to authority in FHWA Docket No MC-161117, USDOT No 213410 Calco has a satisfactory safety rating from the U S Department of Transportation Calco's principal office is located at 37180 Hwy 30, Geismer, LA 70734

B. Hotard Coaches, Inc.

Hotard Coaches, Inc is a Mississippi corporation with headquarters at 2838 Touro Street, New Orleans, LA 70122 Coaches provides charter service in Mississippi and Louisiana pursuant to FMCSA authority in Docket No MC-143881, USDOT No 156451 Coaches has a satisfactory safety rating from the U S Department of Transportation

C. Greyhound Lines, Inc. and its affiliates.

Laidlaw Transportation Holdings, Inc is a non-carrier that has nine FMCSA registered motor passenger carrier subsidiaries, other than Coaches They include Greyhound Lines, Inc which is headquartered at 15110 North Dallas Parkway, Dallas,

TX 75248 and Greyhound Canada Transportation Corp which is headquartered at 877 Greyhound Way SW, Calgary, Alberta, Canada T3C 3V8

Greyhound Lines, Inc and Greyhound Canada Transportation Corp are registered motor carriers rendering scheduled intercity, special and charter bus transportation The former was certificated in Docket No MC-1515, USDOT No 44110, and the latter was certificated in Docket No MC-304126, USDOT NO 14166 Both have satisfactory safety ratings

Greyhound's other FMCSA-regulated rendering scheduled intercity, special and charter bus transportation are Americanos U S A , L L C , serving Texas and the Southwest pursuant to authority received in Docket No MC-309813, USDOT No 78186, Carolina Coach Company, serving primarily the Carolinas pursuant to authority received in Docket No MC-13300, USDOT NO 90775, Crucero U S A , L L C , serving Arizona and California pursuant to authority received in Docket No MC-438895, USDOT No 1053370, Texas, New Mexico and Oklahoma Coaches, Inc , serving the Southwest pursuant to authority received in Docket No MC-61120, USDOT No 149331, Valley Transit Company, serving Texas along the Mexican border pursuant to authority received in Docket No MC-74, USDOT No 136567, and Vermont Transit Co , Inc , serving New England pursuant to authority received in Docket No MC-45626, USDOT No 86293 The foregoing companies have satisfactory safety ratings, except for Crucero U S A , L L C , which is unrated

III. JURISDICTIONAL STATEMENT

Greyhound and its affiliates have earned operating revenues well in excess of \$2 million during the twelve-month period preceding the date of this application

Accordingly, the jurisdictional threshold under 49 U S C § 14303(g) is met with respect to the acquisition of control that is the subject of this Application

IV. OPERATING RIGHTS

Copies of the federal operating authorities issued to Hotard Coaches, Inc and Calco Travel, Inc are attached to this Application

V. GRANTING THIS APPLICATION IS CONSISTENT WITH THE PUBLIC INTEREST

The Board is required to approve the proposed transaction if it finds that the transaction is consistent with the public interest, 49 U S C § 14303(b) In making its public interest determination, the Board is obligated to consider (1) the effect of the proposed acquisition of control on the adequacy of service to the public, (2) the impact on total fixed charges, and (3) the interests of carrier employees Judged by each of these factors, granting this Application would be consistent with the public interest

As a result of the proposed acquisition of control of Coaches by Hotard the public will be assured of continued efficient and adequate service ⁴ The advantages to the traveling public include the continuing operation of Coaches under local control and ownership by individuals who are familiar with charter coach operations in the geographical area Further, the Transaction will have no adverse impact on the parties' fixed charges

The competition between Calco and Coaches is minimal Coaches concentrates its operations on local and regional charters while Calco's services are targeted more towards national and broader regional operations The two carriers will eventually be

⁴ Hotard has simultaneously requested that the Board issue interim authority for Hotard to operate Coaches to avoid the possibility that the company will be closed and its operations terminated during the pendency of this proceeding

able to reduce operational costs through consolidation and modernization of certain management and accounting systems. The current President of Coaches will continue in that position. Thus, the traveling public will continue to have transportation options following any Board approval of this Application.

The bus industry is characterized by numerous competitors and low entry barriers which, combined with strong intermodal competition, eliminates any realistic opportunity for predation or monopoly pricing. See GLI Acquisition Company - Purchase - Trailways Lines, Inc., 41 C.C.2d 591, 600-01 (describing the bus industry's relatively small share of a competitive passenger transportation market dominated by other modes, particularly the private automobile).

With 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.

The Transaction contemplates that with a few exceptions, current employees of Coaches will continue in their current positions. Modernization of some management and accounting systems at Coaches following the completion of the Transaction could result in the elimination of a few positions. However, it is anticipated that in the absence of the Transaction, Coaches would cease operations, resulting in the certain loss of employment for all of its current employees.

Finally, Board approval of this Application will allow the acquisition of control of Coaches to be accomplished without the approval of state regulatory authorities, thus relieving the parties from potentially burdensome regulatory requirements. See 49 U.S.C. 14303(f), which provides that parties to approved transactions may effectuate such transactions and exercise control without the approval of any state authorities and

exempts the parties to the transaction from the application of federal, state, and municipal law as necessary to allow them to carry out the transaction ⁵

VI. SAFETY FITNESS/INSURANCE COVERAGE CERTIFICATION

Both Calco and Coaches hold satisfactory safety ratings issued by the U S Department of Transportation Both carriers also have in place the requisite amount of insurance to comply with the requirements of the Federal Motor Carrier Safety Administration

VII. CERTIFICATION OF DOMICILE

None of the entities involved in the Transaction at issue is domiciled in Mexico or owned or controlled by persons of that country

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

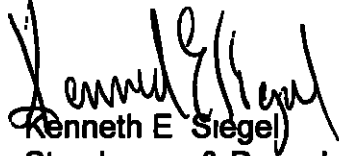
The Transaction contemplates the transfer of ownership of Coaches and the continuation of existing motor passenger carrier operations There will be no significant effect on the quality of the human environment or the use of energy resources, and environmental regulation pursuant to 49 C F R § 1105.7 is unnecessary

⁵ See *Colorado Mountain Express, Inc. , and Airport Shuttle Colorado, Inc. , d/b/a Aspen Limousine Service, Inc. - Consolidation and Merger -- Colorado Mountain Express*, STB No MC-F-20902 (served Feb 28, 1997) (Board approval of bus merger under section 14303 preempts state laws concerning transfer of intrastate operating authority held by merged carrier) See also *Board of Trustees of Trucking Employees v Centra*, 983 F 2d 495, 503 (3d Cir 1992) ("federal law preempts any state law that might purport to require state approval before the transfer of stock or interstate operating authority may occur"), *Washington Trucking Inc. - Purchase Exemption - Maddox Transfer*, 7 I C C 2d 372, 378-80 (1991), *aff'd*, *Oregon Pub Util Comm'n v ICC*, 979 F 2d 778, 780-81 (9th Cir 1992), *Herman Bros , Inc -Purchase Exemption - Thompson TruckLine*, 7 I C C 2d 382, 386-87 (1991), *aff'd*, *Minnesota Transp Regulation Bd v ICC*, 966 F 2d 335, 338-39 (8th Cir 1992) (both holding that federal preemption under the predecessor to section 14303(f) extends to the transfer of intrastate operating rights)

CONCLUSION

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kenneth E. Siegel", is written over the printed name.

Kenneth E. Siegel
Strasburger & Price, LLP
1800 K Street N W
Suite 301
Washington, D C 2006
202 742 8602
Fax 202 742 8692
Attorney for Callen Hotard

Attachments

VERIFICATIONS

VERIFICATON

My name is Callen Hotard, I am President of Calco Travel, Inc. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to me personally as the purchaser of the stock of Hotard Coaches, Inc. and with respect to the above entity, is true and correct. Further, I certify that I am qualified and authorized to sign this verification. 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.



Callen Hotard

VERIFICATON

My name is Mark E Southerst, I am Chief Legal Officer and Secretary of Greyhound Lines, Inc I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above entity, is true and correct Further, I certify that I am qualified and authorized to sign this verification 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



Mark E. Southerst

VERIFICATON

My name is James E. Szeszycki, I am President of Hotard Coaches, Inc. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above entity, is true and correct. Further, I certify that I am qualified and authorized to sign this verification. 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.


James E. Szeszycki

OPERATING AUTHORITIES



U S Department of Transportation
Federal Motor Carrier Safety Administration

400 7th Street SW
Washington, DC 20590

Service Date
January 28, 2002

CERTIFICATE
MC-161117-C
CALCO TRAVEL INC
LUTCHER, LA

This Certificate is evidence of the carrier's authority to engage in transportation as a common carrier of passengers, in charter and special operations, by motor vehicle in interstate or foreign commerce

This authority will be effective as long as the carrier maintains compliance with the requirements pertaining to insurance coverage for the protection of the public (49 CFR 387), the designation of agents upon whom process may be served (49 CFR 366), and tariffs or schedules (49 CFR 1312) The carrier shall also render reasonably continuous and adequate service to the public Failure to maintain compliance will constitute sufficient grounds for revocation of this authority

Terry Shelton, Director
Office of Data Analysis & Information Systems

NOTE: This registration is issued pursuant to a transfer Willful and persistent noncompliance with applicable safety fitness regulations as evidenced by a DOT safety fitness rating of "Unsatisfactory" or by other indicators, could result in a proceeding requiring the holder of this certificate or permit to show cause why this authority should not be suspended or revoked

CPC-A

INTERSTATE COMMERCE COMMISSION
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

SERVICE DATE

MC-143881 (Sub-No. 2)

JUN 1 1983

HOTARD COACHES, INC.
NEW ORLEANS, LA

This Certificate of Public Convenience and Necessity is evidence of the carrier's authority to engage in transportation as a common carrier by motor vehicle.

This authority will become effective only when the carrier has met the compliance requirements pertaining to insurance coverage for the protection of the public (49 CFR 1043), the designation of agents upon whom process may be served (49 CFR 1044), and tariffs or schedules (49 CFR 1300 through 1310, revised). The carrier shall also render reasonably continuous and adequate service to the public. Failure to meet these conditions will constitute sufficient grounds for the suspension, change, or revocation of this authority.

This authority is subject to any terms, conditions, and limitations as are now, or may later be, attached to this privilege.

For common carriers with irregular route authority: Any irregular route authority authorized in this certificate may not be tacked or joined with your other irregular route authority unless joinder is specifically authorized.

The transportation service to be performed is described on the reverse side of this document and will be valid as long as the carrier maintains compliance with the above requirements.

By the Commission.

(SEAL)

Agatha L. Mergenovich
Secretary

Note: If there are any discrepancies regarding this document please notify the Commission within 30 days.

MC-143881 (Sub-No. 2)
Sheet 2

To operate as a ~~common carrier~~, by motor vehicle, in interstate or foreign commerce, over irregular routes, transporting ~~passengers~~, in charter and special operations, between points in the United States.

INTERSTATE COMMERCE COMMISSION
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

MC-143881 Sub 3

HOTARD COACHES, INC.
NEW ORLEANS, LOUISIANA

SERVICE DATE

MAY 21 1984

This Certificate of Public Convenience and Necessity is evidence of the carrier's authority to engage in transportation as a common carrier by motor vehicle.

This authority will become effective only when the carrier has met the compliance requirements pertaining to insurance coverage for the protection of the public (49 CFR 1043), the designation of agents upon whom process may be served (49 CFR 1044), and tariffs or schedules (49 CFR 1300 through 1310, revised). The carrier shall also render reasonably continuous and adequate service to the public. Failure to meet these conditions will constitute sufficient grounds for the suspension, change, or revocation of this authority.

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By the Commission.

JAMES H. BAYNE
Secretary.

(SEAL)

Note: If there are any discrepancies regarding this document please notify the Commission within 30 days.

MC-143881 Sub 3

To operate as a common carrier, by motor vehicle, in interstate or foreign commerce, over irregular routes, transporting disabled vehicles and replacement vehicles, between points in the United States, (except Alaska and Hawaii).

CERTIFICATE OF SERVICE

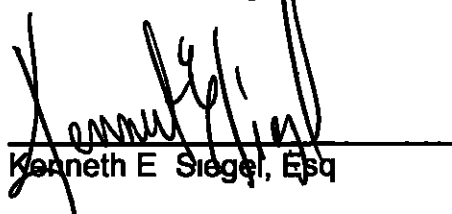
I certify that I have this 15th day of June 2007 served a copy of the foregoing Verified Application by mailing a copy thereof, via first class mail, postage prepaid to

Chief, Lic & Ins Division
Federal Motor Carrier Safety Administration
U S Department of Transportation
1200 New Jersey Ave S E
Washington, D C 20590

Wiley Huff
Office of Enforcement
MDOT
P O Box 1850
Jackson, Mississippi 39215

Public Service Commission
P O Box 91154
Baton Rouge, Louisiana 70821

Dated at Washington, D C , this 15th day of June, 2007



Kenneth E Siegel, Esq

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