

SECTION B
PART B TECHNICAL PROPOSAL AND
STATEMENTS AND CERTIFICATIONS REGARDING ELIGIBILITY

QUALIFICATIONS AND CERTIFICATIONS

NOTE: The Authority reserves the right to audit compliance with respect to each of the required statements and certifications in the forms submitted by Offerors, including but not limited to the Domestic U.S. Content Certification, Domestic U.S. Content Worksheet, and Final Assembly of Production (Non-Pilot) Vehicles in Massachusetts.

Questions Concerning Eligibility

Provide short answers (and attach relevant documents) to the following questions and requests:

1. Attach relevant Certificate of Good Standing from the Secretary of State of the Commonwealth of Massachusetts.
2. Provide the names and telephone numbers of all business owners, shareholders if not a publicly held corporation, and/or members if a limited liability company.
3. Provide the names, title and telephone numbers of all officers.
4. Has the business or an owner or shareholder of the business ever had a prior contractual relationship with the MBTA? If yes, please describe relationship.
5. Has the business or an owner or shareholder of the business ever been in default of any obligations under a contract with the MBTA, any other Massachusetts state agency or any federal agency? If yes, please describe the circumstances. Please indicate whether it resulted in a termination for cause.
6. Have any of the business owners, shareholders, or officers ever been convicted of felony violations of Federal, state or local laws? If yes, please describe the circumstances.
7. Are there any pending recent law suits against the business or any of its owners or shareholders? If yes, please describe the circumstances.
8. Provide the name, address, account number, contact person and telephone number of the insurance agent responsible for procuring insurance required by the Solicitation Documents.
9. Provide the name, address, contact person and telephone of three business credit references, including but not limited to your primary banking institution.
10. Has the business or any of the business's owners or shareholders ever filed for bankruptcy or invoked insolvency proceedings under state law?

11. Provide the last three (3) years of audited financial statements, or reasonable equivalent of the Offeror. If the Offeror is a joint venture or other combination of business entities, provide the last three (3) years audited financial statements for each entity.
12. Provide the business's current code of business ethics or equivalent.



RAIL SYSTEMS GROUP

Wheel, Axle, Bearing, Gearbox, Transmission, and Truck Divisions | AAR Certified

April 11, 2014

Michel Frenette
Senior Bid Supply Administrator
Bids, Advanced Supply Management
BOMBARDIER TRANSPORTATION NORTH AMERICA
1101, Parent Street
Saint-Bruno (Quebec) Canada J3V 6E6

Subject: RFP No. CAP 27-10, Part 2 - MBTA Questions to be addressed by Vendor:

Dear Michel:

Below are UTCRAS replies to the (12) questions from the MBTA.

- 1.) UTCRAS will request the certificate when selected by the car-builder.
- 2.) UTCRAS Owner: Betty Scott, CEO, Rail Systems Group, 610-983-0102
- 3.) UTCRAS Officers: Frank R. Ursone, President, Rail Systems Group, 610-328-1100 x11
Betty Scott, CEO, Rail Systems Group, 610-983-0102
- 4.) UTCRAS has not had a contractual relationship with MBTA.
- 5.) UTCRAS owners have never been in default of any obligations under a contract with the MBTA.
- 6.) UTCRAS owners have never been convicted of a Felony of Federal, State or Local laws.
- 7.) There are no pending lawsuits against the business.
- 8.) Francis Hall Insurance Services, Agent: Robert Hall
1065 Andrew Drive, Suite B1, West Chester, PA 19380
Phone # 610-696-5100, Fax # 610-696-9358
Account Name: UTCRAS, Inc.
- 9.) Business References attached.
- 10.) UTCRAS owners have never filed for bankruptcy.
- 11.) Three (3) years UTCRAS financial statements are attached.
- 12.) UTCRAS Business Code of Ethics.

Sincerely,

Frank R. Ursone, President Rail Systems Group

cc: Anthony R. Ursone, UTCRAS
Charles E. Mullen, UTCRAS

UTCRAS
501 Highland Avenue
Morton, Pennsylvania 19070
Phone 610.328.1100 | Fax 610.544.6979
www.utcras.com

UTCIRAS

AAR CERTIFIED - Wheel, Axle, & Bearing Shop

Legal Name: UTCRAS, Inc. Phone: 610-328-1100
Address: 501 Highland Avenue Fax: 610-544-6979
Morton, PA 19070 Fed ID: 23-3080861
Dunns: 141918560

Corporation: Incorporated in State of Pennsylvania

Date Established: 1983

Officers: Betty A. Scott, Chairperson & CEO
Frank R. Ursone, President

Plant Manager: Edward McManamy

Tax Exempt: Blanket Exemption Certificate attached

Type of Business: Manufacture and remanufacture railroad wheel assemblies for railroad car
builders, transit authorities and class 1 railroads

Credit Reference:

Meridian Bank Checking Acct .No: 4007597
92 Lancaster Avenue Contact: Jack Devenney
West Chester, PA 19382 Phone: 484-905-5990
Fax: 484-905-5998

Trade References:

Alp Rail Industries Contact: Loren Cairns
273 19th Avenue Phone: 450-472-9291
Two Mountains, Quebec, Canada J7R4C9 Fax: 450-472-9379

TSS, Inc. Contact: Jeff Scofield
85 Abbottsford Drive Phone: 910-585-2498
Pinehurst, NC 28374 Fax: 910-687-0032

Walco Contact: Mark Amato
303 Allens Avenue Phone: 401-640-7169
Providence, RI 02905 Fax: 401-941-4451

Precision Roller Bearing Industries Contact: Steve Younce
P. O. Box 2025 Phone: 270-735-1912
Elizabethtown, KY 42702 Fax: 270-735-1513

Accounts Payable Contact: Linda Kinworthy 610-328-1100

UTCRA INC
Balance Sheet
December 31, 2010

ASSETS

CURRENT ASSETS

CASH	\$ 22,911.25	
ACCOUNTS RECEIVABLE - OTHER	40,928.25	
ACCOUNTS RECEIVABLE	1,253,397.79	
ALLOWANCE FOR BAD DEBT	(25,000.00)	
DUE FROM (TO) MORTON COMMON	(119,945.90)	
INVENTORY	2,607,389.00	
PREPAID REAL ESTATE TAXES	23,401.59	
EXCHANGE ACCOUNT	1,031.84	
EMPLOYEE LOAN	4,925.00	
ADVANCE S J PERSSON	3,707.02	
PREPAID EXPENSES/DEPOSIT	33,661.48	
TOTAL CURRENT ASSETS		3,846,407.32

PROPERTY AND EQUIPMENT

BUILDING-MACHINE SHOP	2,010.00	
PLANT EQUIPMENT	2,378,747.36	
OFFICE FURNITURE & EQUIPMENT	73,922.99	
MEXICAN EQUIP CAPITAL	115,000.00	
TRUCKS AND AUTOS	59,325.82	
TOTAL PROPERTY AND EQUIPMENT	2,629,006.17	
LESS ACCUMULATED DEPRECIATIO	(1,951,514.98)	
NET PROPERTY AND EQUIPMENT		677,491.19

OTHER ASSETS

LOAN COSTS	36,905.84	
ACCUM AMORT BUILD LOAN COST	(923.98)	
NET LOAN COSTS	35,981.86	
TOTAL OTHER ASSETS		35,981.86
TOTAL ASSETS	\$	4,559,880.37

UTCRA INC
Balance Sheet
December 31, 2010

LIABILITIES AND STOCKHOLDERS' EQUITY
LIABILITIES

CURRENT LIABILITIES

MERIDIAN - LOC	\$	1,026,000.00	
LOAN PAYABLE SHAREHOLDER-BA		45,011.00	
ACCOUNTS PAYABLE		523,257.35	
AMERICAN EXPRESS GOLD		8,136.25	
AMERICAN EXPRESS PLUM		8,361.89	
CAPITAL ONE		4,428.08	
CHASE BANK		11,306.99	
CUSTOMER DEPOSIT		94,862.91	
PAYROLL TAXES AND WITHHOLDI		773.57	
ACCR'D PAYROLL TAXES		212.40	
ACCRUED EXPENSE		16,777.91	
ACCRUED PAYROLL		40,876.69	
ACCRUED PROFESSIONAL FEES		4,800.00	
ACCRUED PROFIT SHARING EXPEN		100,000.00	
ACCRUED INTEREST		72,920.04	
ACCRUED VACATION & HOLIDAY		44,362.80	

TOTAL CURRENT LIABILITIES		2,002,087.88
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LONG-TERM LIABILITIES

MERIDIAN - TERM LOAN	985,345.64
LEASE PAYABLE YALE FORKLIFT	30,000.00

TOTAL LONG-TERM LIABILITIES	1,015,345.64
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TOTAL LIABILITIES	3,017,433.52
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STOCKHOLDERS' EQUITY

Common Stock	1,000.00
RETAINED EQUITY	1,473,056.74
Net Income	68,390.11

TOTAL STOCKHOLDERS' EQUITY	1,542,446.85
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TOTAL LIABILITIES AND EQUITY	\$ 4,559,880.37
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UTCRA INC
Income Statement
For the Twelve Months Ending December 31, 2010

	Current Month		Year to Date	
REVENUES				
SALES	6,750,350.39	99.65	6,750,350.39	99.65
SALES RETURN AND ALLOWANCE	(13,774.93)	(0.20)	(13,774.93)	(0.20)
SCRAP INCOME	37,560.05	0.55	37,560.05	0.55
NET REVENUES	6,774,135.51	100.00	6,774,135.51	100.00
COST OF SALES				
MATERIAL	4,738,267.59	69.94	4,738,267.59	69.94
DIRECT LABOR	1,165,968.29	17.21	1,165,968.29	17.21
LABOR-MAINT DEPT	9,235.63	0.14	9,235.63	0.14
FREIGHT	28,888.30	0.43	28,888.30	0.43
MANUFACTURING OVERHEAD				
REPAIRS/MAINT - DOOR POCKETS	7,251.54	0.11	7,251.54	0.11
401 K EMPLOYER SHOP	12,490.28	0.18	12,490.28	0.18
401K EMPLOYER-MAINT DEPT	815.94	0.01	815.94	0.01
SAFETY EXPENSE	1,779.87	0.03	1,779.87	0.03
QA/QC EXPENSE	2,127.98	0.03	2,127.98	0.03
SUPPLIES - WELDING/FABRICATING	2,682.25	0.04	2,682.25	0.04
SHOP SUPPLIES & EXPENSES	25,585.11	0.38	25,585.11	0.38
SHOP OFFICE SUPPLIES	809.97	0.01	809.97	0.01
SHOP TOOL EXPENSE	7,002.19	0.10	7,002.19	0.10
EQUIP RENTAL/LEASE SHOP	1,381.32	0.02	1,381.32	0.02
TRUCK EXPENSE	2,766.56	0.04	2,766.56	0.04
P/R TAX EXP - SHOP	11,493.17	0.17	11,493.17	0.17
PR TAX - MAINT DEPT	593.80	0.01	593.80	0.01
EMPLOYEE BENEFITS	17,909.27	0.26	17,909.27	0.26
HEALTH INSURANCE SHOP	23,604.95	0.35	23,604.95	0.35
HEALTH INS-MAINT DEPT	1,105.14	0.02	1,105.14	0.02
REPAIRS/MAINT - WELDING/FAB	2,201.87	0.03	2,201.87	0.03
REPAIRS & MAINT/SHOP	8,500.86	0.13	8,500.86	0.13
PROPERTY & LIABILITY-SHOP	11,654.38	0.17	11,654.38	0.17
TRUCK/AUTO INS	257.56	0.00	257.56	0.00
WORKERS COMP-SHOP	11,291.16	0.17	11,291.16	0.17
EPL INSURANCE & AGENCY FEE	466.52	0.01	466.52	0.01
DEPRECIATION/SHOP	23,022.48	0.34	23,022.48	0.34
RENT - SHOP	13,975.02	0.21	13,975.02	0.21
WATER AQUA PA	266.86	0.00	266.86	0.00
PHILA/GAS & ELECTRIC	14,148.69	0.21	14,148.69	0.21
TENANT / GAS & ELECTRIC	(1.00)	0.00	(1.00)	0.00
R/E TAXES/ SHOP-UTC	7,587.41	0.11	7,587.41	0.11
TOTAL COST OF SALES	6,155,130.96	90.86	6,155,130.96	90.86
GROSS PROFIT	619,004.55	9.14	619,004.55	9.14
GENERAL & ADMINISTRATIVE				
SALARIES - OFFICE	57,696.71	0.85	57,696.71	0.85
MARKETING/SALES EXPENSE	15,673.05	0.23	15,673.05	0.23
SALESMAN SALARY	3,200.00	0.05	3,200.00	0.05
P/R TAX EXP OFFICE	1,445.55	0.02	1,445.55	0.02
PR TAX - MARKETING	188.24	0.00	188.24	0.00
CREDIT CARD EXP-BAS	8,838.05	0.13	8,838.05	0.13
OFFICERS LIFE INSURANCE	9,348.77	0.14	9,348.77	0.14
HEALTH INSURANCE OFFICE	6,637.61	0.10	6,637.61	0.10
REPAIR/MAINT/OFFICE	5,165.00	0.08	5,165.00	0.08
PROPERTY & LIABILITY-OFFICE	4,289.93	0.06	4,289.93	0.06
401 K EMPLOYER OFFICE	5,022.01	0.07	5,022.01	0.07

For Management Purposes Only

UTCRA INC
Income Statement
For the Twelve Months Ending December 31, 2010

	Current Month		Year to Date	
TRAVEL/LODGING	1,752.27	0.03	1,752.27	0.03
GAS/TOLLS/PARKING	1,050.79	0.02	1,050.79	0.02
POSTAGE	419.25	0.01	419.25	0.01
WORKERS COMP-OFFICE	470.46	0.01	470.46	0.01
AUTO LEASE RENTAL	10,463.83	0.15	10,463.83	0.15
AUTO EXPENSE	4,840.91	0.07	4,840.91	0.07
MEALS & ENTERTAINMENT	10,083.26	0.15	10,083.26	0.15
COMMISSION/CONSULTING FEES	5,000.00	0.07	5,000.00	0.07
PROFESSIONAL FEES	26,504.87	0.39	26,504.87	0.39
BUSINESS DEVELOPMENT	20.00	0.00	20.00	0.00
ADVERTISING	1,850.00	0.03	1,850.00	0.03
BANK FEES	810.40	0.01	810.40	0.01
DUES & SUBSCRIPTIONS	2,671.45	0.04	2,671.45	0.04
EDUCATIONAL/TRAINING	498.00	0.01	498.00	0.01
OFFICE EXPENSE	9,970.59	0.15	9,970.59	0.15
RENT-OFFICE	329,918.31	4.87	329,918.31	4.87
EQUIPMENT RENTAL OFFICE	929.57	0.01	929.57	0.01
DEPRECIATION/OFFICE	692.55	0.01	692.55	0.01
TELEPHONE	6,102.70	0.09	6,102.70	0.09
TRASH REMOVAL	1,489.10	0.02	1,489.10	0.02
TAXES OTHER	612.00	0.01	612.00	0.01
CONTRIBUTIONS	700.00	0.01	700.00	0.01
TOTAL GENERAL & ADMIN	534,355.23	7.89	534,355.23	7.89
OTHER REVENUE AND (EXPENSES)				
AMORTIZATION	(923.98)	(0.01)	(923.98)	(0.01)
INTEREST-MERIDIAN LOC	(6,127.50)	(0.09)	(6,127.50)	(0.09)
INTEREST-MERIDIAN TERM LOAN	(8,018.54)	(0.12)	(8,018.54)	(0.12)
INTEREST OTHER	(399.00)	(0.01)	(399.00)	(0.01)
INTEREST INCOME	79.69	0.00	79.69	0.00
TOTAL OTHER REVENUE/(EXP)	(15,389.33)	(0.23)	(15,389.33)	(0.23)
MORTON RENTAL INCOME	176.92	0.00	176.92	0.00
PROPERTY & LIABILITY-RENTAL	(647.46)	(0.01)	(647.46)	(0.01)
R/E TAXES/ RENTAL	(399.34)	(0.01)	(399.34)	(0.01)
NET INCOME (LOSS)	\$ 68,390.11	1.01	\$ 68,390.11	1.01

For Management Purposes Only

UTCRA INC
Balance Sheet
December 31, 2011

ASSETS

CURRENT ASSETS

CASH	\$ 425,536.32	
ACCOUNTS RECEIVABLE - OTHER	35,182.00	
ACCOUNTS RECEIVABLE	1,527,760.07	
ALLOWANCE FOR BAD DEBT	(25,000.00)	
DUE FROM (TO) MORTON COMMON	29,324.24	
INVENTORY	1,801,725.75	
PREPAID REAL ESTATE TAXES	21,515.93	
PREPAID EXPENSES	457.93	
EXCHANGE ACCOUNT	75,059.31	
EMPLOYEE LOAN	4,925.00	
PREPAID EXPENSES/DEPOSIT	86,765.16	
TOTAL CURRENT ASSETS		3,983,251.71

PROPERTY AND EQUIPMENT

BUILDING-MACHINE SHOP	5,868.93	
BUILDING - TRUCK SHOP	1,111.62	
PLANT EQUIPMENT	2,919,475.08	
OFFICE FURNITURE & EQUIPMENT	81,570.89	
MEXICAN EQUIP CAPITAL	115,000.00	
TRUCKS AND AUTOS	59,325.82	
TOTAL PROPERTY AND EQUIPMENT	3,182,352.34	
LESS ACCUMULATED DEPRECIATIO	(2,107,615.90)	
NET PROPERTY AND EQUIPMENT		1,074,736.44

OTHER ASSETS

LOAN COSTS	36,959.08	
ACCUM AMORT BUILD LOAN COST	(8,315.86)	
NET LOAN COSTS	28,643.22	
TOTAL OTHER ASSETS		28,643.22
TOTAL ASSETS	\$ 5,086,631.37	

UTCRA INC
Balance Sheet
December 31, 2011

LIABILITIES AND STOCKHOLDERS' EQUITY
LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 626,855.10
AMERICAN EXPRESS GOLD	16,724.75
AMERICAN EXPRESS PLUM	18,877.30
CAPITAL ONE	4,837.48
CHASE BANK	7,075.34
CUSTOMER DEPOSIT	275,311.20
PAYROLL TAXES AND WITHHOLDI	1,478.27
ACCRUED EXPENSE	152,952.01
ACCRUED PAYROLL	37,603.92
ACCRUED PROFESSIONAL FEES	15,000.00
ACCRUED PROFIT SHARING EXPEN	125,000.00
ACCRUED INTEREST	68,691.33
ACCRUED VACATION & HOLIDAY	114,122.91

TOTAL CURRENT LIABILITIES 1,464,529.61

LONG-TERM LIABILITIES

MERIDIAN - TERM LOAN	810,776.53
LEASE PAYABLE-WELLS FARGO CN	465,634.94
LEASE PAYABLE-WELLS FARGO	14,246.34
LEASE PAYABLE YALE FORKLIFT	22,525.82

TOTAL LONG-TERM LIABILITIES 1,313,183.63

TOTAL LIABILITIES 2,777,713.24

STOCKHOLDERS' EQUITY

Common Stock	1,000.00
STOCKHOLDERS DISTRIBUTIONS	(25,429.00)
RETAINED EQUITY	1,586,457.85
Net Income	746,889.28

TOTAL STOCKHOLDERS' EQUITY 2,308,918.13

TOTAL LIABILITIES AND EQUITY \$ 5,086,631.37

UTCRA
Income Statement
For the Twelve Months Ending December 31, 2011

	Current Month		Year to Date	
REVENUES				
SALES	10,184,178.68	97.89	10,184,178.68	97.89
SALES RETURN AND ALLOWANCE	(37,669.50)	(0.36)	(37,669.50)	(0.36)
SCRAP INCOME	256,660.46	2.47	256,660.46	2.47
NET REVENUES	10,403,169.64	99.99	10,403,169.64	99.99
COST OF SALES				
MATERIAL	4,611,765.88	44.33	4,611,765.88	44.33
DIRECT LABOR	1,292,061.83	12.42	1,292,061.83	12.42
LABOR-MAINT DEPT	78,747.46	0.76	78,747.46	0.76
FREIGHT	207,849.06	2.00	207,849.06	2.00
MANUFACTURING OVERHEAD				
CONSULTANT/1099	2,111.25	0.02	2,111.25	0.02
VACATION & HOLIDAY	195,386.80	1.88	195,386.80	1.88
401 K EMPLOYER SHOP	106,958.37	1.03	106,958.37	1.03
401K EMPLOYER-MAINT DEPT	8,826.73	0.08	8,826.73	0.08
SAFETY EXPENSE	6,835.17	0.07	6,835.17	0.07
QA/QC EXPENSE	22,480.16	0.22	22,480.16	0.22
SUPPLIES - WELDING/FABRICATIN	16,821.26	0.16	16,821.26	0.16
SUPPLIES - TRUCK SHOP	82.83	0.00	82.83	0.00
SHOP SUPPLIES & EXPENSES	79,470.91	0.76	79,470.91	0.76
SHOP OFFICE SUPPLIES	4,298.04	0.04	4,298.04	0.04
SHOP TOOL EXPENSE	28,970.93	0.28	28,970.93	0.28
LAB TESTING	1,000.00	0.01	1,000.00	0.01
EQUIP RENTAL/LEASE SHOP	72,442.71	0.70	72,442.71	0.70
TRUCK EXPENSE	3,132.20	0.03	3,132.20	0.03
P/R TAX EXP - SHOP	124,384.61	1.20	124,384.61	1.20
PR TAX - MAINT DEPT	6,995.11	0.07	6,995.11	0.07
EMPLOYEE BENEFITS	27,581.62	0.27	27,581.62	0.27
HEALTH INSURANCE SHOP	280,090.86	2.69	280,090.86	2.69
HEALTH INS-MAINT DEPT	16,473.22	0.16	16,473.22	0.16
REPAIRS/MAINT - WELDING/FAB	215.00	0.00	215.00	0.00
REPAIRS & MAINT/SHOP	165,473.86	1.59	165,473.86	1.59
PROPERTY & LIABILITY-SHOP	105,389.50	1.01	105,389.50	1.01
PROPERTY & LIABILITY-OFFICE	5,525.48	0.05	5,525.48	0.05
TRUCK/AUTO INS	3,947.11	0.04	3,947.11	0.04
WORKERS COMP-SHOP	93,562.07	0.90	93,562.07	0.90
BPL INSURANCE & AGENCY FEE	6,197.40	0.06	6,197.40	0.06
DEPRECIATION/SHOP	150,207.01	1.44	150,207.01	1.44
RENT - SHOP	120,000.00	1.15	120,000.00	1.15
WATER AQUA PA	4,185.16	0.04	4,185.16	0.04
PHILA/GAS & ELECTRIC	145,153.89	1.40	145,153.89	1.40
R/E TAXES/ SHOP-UTC	62,916.74	0.60	62,916.74	0.60
TOTAL COST OF SALES	8,057,540.23	77.45	8,057,540.23	77.45
GROSS PROFIT	2,345,629.41	22.55	2,345,629.41	22.55
GENERAL & ADMINISTRATIVE				
SALARIES - OFFICE	419,245.98	4.03	419,245.98	4.03
MARKETING/SALES EXPENSE	146,405.08	1.41	146,405.08	1.41
SALESMAN SALARY	25,500.00	0.25	25,500.00	0.25
P/R TAX EXP OFFICE	28,539.03	0.27	28,539.03	0.27
PR TAX - MARKETING	9,080.13	0.09	9,080.13	0.09
OFFICERS LIFE INSURANCE	62,319.42	0.60	62,319.42	0.60
HEALTH INSURANCE OFFICE	74,407.45	0.72	74,407.45	0.72
REPAIR/MAINT/OFFICE	21,516.41	0.21	21,516.41	0.21

For Management Purposes Only

UTCRA
Income Statement
For the Twelve Months Ending December 31, 2011

	Current Month		Year to Date	
401 K EMPLOYER OFFICE	57,692.71	0.55	57,692.71	0.55
TRAVEL/LODGING	58,546.29	0.56	58,546.29	0.56
GAS/TOLLS/PARKING	9,624.01	0.09	9,624.01	0.09
POSTAGE	3,610.03	0.03	3,610.03	0.03
WORKERS COMP-OFFICE	3,898.42	0.04	3,898.42	0.04
AUTO LEASE RENTAL	9,374.40	0.09	9,374.40	0.09
AUTO EXPENSE	44,772.16	0.43	44,772.16	0.43
MEALS & ENTERTAINMENT	63,206.23	0.61	63,206.23	0.61
COMMISSION/CONSULTING FEES	29,024.27	0.28	29,024.27	0.28
PROFESSIONAL FEES	137,523.75	1.32	137,523.75	1.32
BUSINESS DEVELOPMENT	434.27	0.00	434.27	0.00
ADVERTISING	66,736.92	0.64	66,736.92	0.64
BANK FEES	1,983.01	0.02	1,983.01	0.02
DUES & SUBSCRIPTIONS	21,560.55	0.21	21,560.55	0.21
EDUCATIONAL/TRAINING	1,420.19	0.01	1,420.19	0.01
OFFICE EXPENSE	62,810.63	0.60	62,810.63	0.60
RENT-OFFICE	36,000.00	0.35	36,000.00	0.35
EQUIPMENT RENTAL OFFICE	9,718.69	0.09	9,718.69	0.09
DEPRECIATION/OFFICE	5,893.91	0.06	5,893.91	0.06
TELEPHONE	34,139.54	0.33	34,139.54	0.33
TRASH REMOVAL	12,438.71	0.12	12,438.71	0.12
MISCELLANEOUS	190.00	0.00	190.00	0.00
BAD DEBTS	40,928.25	0.39	40,928.25	0.39
TAXES OTHER	3,697.22	0.04	3,697.22	0.04
CONTRIBUTIONS	2,750.00	0.03	2,750.00	0.03
TOTAL GENERAL & ADMIN	1,504,987.66	14.47	1,504,987.66	14.47
OTHER REVENUE AND (EXPENSES)				
AMORTIZATION	(7,391.88)	(0.07)	(7,391.88)	(0.07)
INTEREST YALE FORKLIFT	(3,978.76)	(0.04)	(3,978.76)	(0.04)
INTEREST-MERIDIAN LOC	(20,526.94)	(0.20)	(20,526.94)	(0.20)
INTEREST-MERIDIAN TERM LOAN	(61,509.50)	(0.59)	(61,509.50)	(0.59)
INTEREST OTHER	(1,015.73)	(0.01)	(1,015.73)	(0.01)
INTEREST INCOME	654.94	0.01	654.94	0.01
OTHER INCOME	15.40	0.00	15.40	0.00
TOTAL OTHER REVENUE/(EXP)	(93,752.47)	(0.90)	(93,752.47)	(0.90)
NET INCOME (LOSS)	\$ 746,889.28	7.18	\$ 746,889.28	7.18

For Management Purposes Only

UTCRA INC
Balance Sheet
December 31, 2012

ASSETS

CURRENT ASSETS

CASH	\$ 102,781.82	
ACCOUNTS RECEIVABLE	1,229,023.03	
ALLOWANCE FOR BAD DEBT	(25,000.00)	
DUE FROM (TO) MORTON COMMON	73,994.69	
INVENTORY	2,091,324.78	
PREPAID REAL ESTATE TAXES	22,137.48	
EXCHANGE ACCOUNT	3,361.84	
EMPLOYEE LOAN	4,925.00	
PREPAID EXPENSES/DEPOSIT	87,736.20	
TOTAL CURRENT ASSETS		3,590,284.84

PROPERTY AND EQUIPMENT

BUILDING IMPROV MORTON	31,410.71	
BUILDING-MACHINE SHOP	39,508.48	
BUILDING - TRUCK SHOP	6,296.62	
PLANT EQUIPMENT	3,053,265.35	
OFFICE FURNITURE & EQUIPMENT	94,335.81	
MEXICAN EQUIP CAPITAL	115,000.00	
TRUCKS AND AUTOS	59,325.82	
TOTAL PROPERTY AND EQUIPMENT	3,399,142.79	
LESS ACCUMULATED DEPRECIATIO	(2,316,832.21)	
NET PROPERTY AND EQUIPMENT		1,082,310.58

OTHER ASSETS

LOAN COSTS	36,959.08	
ACCUM AMORT BUILD LOAN COST	(15,707.62)	
NET LOAN COSTS	21,251.46	
TOTAL OTHER ASSETS		21,251.46
TOTAL ASSETS	\$	4,693,846.88

UTCRA INC
Balance Sheet
December 31, 2012

LIABILITIES AND STOCKHOLDERS' EQUITY
LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$	506,723.42	
AMERICAN EXPRESS GOLD		16,012.68	
AMERICAN EXPRESS PLUM		8,242.29	
CAPITAL ONE		2,476.57	
CHASE BANK		9,762.55	
CUSTOMER DEPOSIT		42,744.00	
PAYROLL TAXES AND WITHHOLDI		1,745.38	
ACCRUED EXPENSE		254,591.02	
ACCRUED PAYROLL		49,194.31	
ACCRUED PROFESSIONAL FEES		5,000.00	
ACCRUED PROFIT SHARING EXPEN		100,000.00	
ACCRUED INTEREST		1,872.10	
ACCRUED VACATION & HOLIDAY		64,872.16	

TOTAL CURRENT LIABILITIES		1,063,236.48
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LONG-TERM LIABILITIES

MERIDIAN - TERM LOAN	624,033.65
LEASE PAYABLE-WELLS FARGO CN	386,846.71
LEASE PAYABLE-WELLS FARGO	8,555.88
LEASE PAYABLE YALE FORKLIFT	15,293.45

TOTAL LONG-TERM LIABILITIES	1,034,729.69
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TOTAL LIABILITIES	2,097,966.17
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STOCKHOLDERS' EQUITY

ADDT'L PAID IN CAPITAL	1,559,936.68
Common Stock	1,000.00
STOCKHOLDERS DISTRIBUTIONS	(115,749.00)
RETAINED EQUITY	747,981.45
Net Income	402,711.58

TOTAL STOCKHOLDERS' EQUITY	2,595,880.71
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TOTAL LIABILITIES AND EQUITY	\$ 4,693,846.88
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UTCRA5 INC
Income Statement
For the Twelve Months Ending December 31, 2012

	Current Month		Year to Date	
REVENUES				
SALES	13,766,417.83	98.61	13,766,417.83	98.61
SALES RETURN AND ALLOWANCE	(23,309.82)	(0.17)	(23,309.82)	(0.17)
SCRAP INCOME	215,626.53	1.54	215,626.53	1.54
NET REVENUES	13,958,734.54	99.99	13,958,734.54	99.99
COST OF SALES				
MATERIAL	7,987,361.35	57.21	7,987,361.35	57.21
DIRECT LABOR	1,479,603.67	10.60	1,479,603.67	10.60
LABOR-MAINT DEPT	82,130.42	0.59	82,130.42	0.59
FREIGHT	276,199.18	1.98	276,199.18	1.98
MANUFACTURING OVERHEAD				
CONSULTANT/1099	10,679.75	0.08	10,679.75	0.08
VACATION & HOLIDAY	107,241.68	0.77	107,241.68	0.77
401 K EMPLOYER SHOP	93,430.62	0.67	93,430.62	0.67
401K EMPLOYER-MAINT DEPT	5,389.01	0.04	5,389.01	0.04
SAFETY EXPENSE	61,049.47	0.44	61,049.47	0.44
QA/QC EXPENSE	23,922.98	0.17	23,922.98	0.17
SUPPLIES - WELDING/FABRICATING	18,054.75	0.13	18,054.75	0.13
SHOP SUPPLIES & EXPENSES	196,221.76	1.41	196,221.76	1.41
SHOP OFFICE SUPPLIES	4,290.48	0.03	4,290.48	0.03
SHOP TOOL EXPENSE	50,211.44	0.36	50,211.44	0.36
LAB TESTING	10,990.50	0.08	10,990.50	0.08
EQUIP RENTAL/LEASE SHOP	15,447.88	0.11	15,447.88	0.11
TRUCK EXPENSE	10,075.76	0.07	10,075.76	0.07
P/R TAX EXP - SHOP	138,140.76	0.99	138,140.76	0.99
PR TAX - MAINT DEPT	7,731.41	0.06	7,731.41	0.06
EMPLOYEE BENEFITS	11,516.49	0.08	11,516.49	0.08
HEALTH INSURANCE SHOP	254,155.71	1.82	254,155.71	1.82
HEALTH INS-MAINT DEPT	20,910.03	0.15	20,910.03	0.15
REPAIRS & MAINT/SHOP	171,277.85	1.23	171,277.85	1.23
REPAIRS/MAINT - TRUCK SHOP	768.60	0.01	768.60	0.01
PROPERTY & LIABILITY-SHOP	122,315.47	0.88	122,315.47	0.88
TRUCK/AUTO INS	5,328.00	0.04	5,328.00	0.04
WORKERS COMP-SHOP	98,032.90	0.70	98,032.90	0.70
EPL INSURANCE & AGENCY FEE	10,260.00	0.07	10,260.00	0.07
DEPRECIATION/SHOP	203,061.96	1.45	203,061.96	1.45
RENT - SHOP	120,000.00	0.86	120,000.00	0.86
WATER AQUA PA	4,425.59	0.03	4,425.59	0.03
PHIL/GAS & ELECTRIC	122,805.56	0.88	122,805.56	0.88
R/E TAXES/ SHOP-UTC	60,475.88	0.43	60,475.88	0.43
TOTAL COST OF SALES	11,783,506.91	84.41	11,783,506.91	84.41
GROSS PROFIT	2,175,227.63	15.58	2,175,227.63	15.58
GENERAL & ADMINISTRATIVE				
SALARIES - OFFICE	581,914.69	4.17	581,914.69	4.17
MARKETING/SALES EXPENSE	214,064.72	1.53	214,064.72	1.53
SALESMAN SALARY	44,000.00	0.32	44,000.00	0.32
P/R TAX EXP OFFICE	37,650.92	0.27	37,650.92	0.27
PR TAX - MARKETING	10,258.88	0.07	10,258.88	0.07
OFFICERS LIFE INSURANCE	63,348.70	0.45	63,348.70	0.45
HEALTH INSURANCE OFFICE	60,568.32	0.43	60,568.32	0.43
REPAIR/MAINT/OFFICE	27,527.98	0.20	27,527.98	0.20
PROPERTY & LIABILITY-OFFICE	4,164.00	0.03	4,164.00	0.03
401 K EMPLOYER OFFICE	55,374.54	0.40	55,374.54	0.40

For Management Purposes Only

UTCRA INC
Income Statement
For the Twelve Months Ending December 31, 2012

	Current Month		Year to Date	
TRAVEL/LODGING	63,741.74	0.46	63,741.74	0.46
GAS/TOLLS/PARKING	12,936.95	0.09	12,936.95	0.09
POSTAGE	4,040.80	0.03	4,040.80	0.03
WORKERS COMP-OFFICE	2,703.34	0.02	2,703.34	0.02
WORKERS COMP - MARKETING	1,611.36	0.01	1,611.36	0.01
AUTO LEASE RENTAL	8,640.00	0.06	8,640.00	0.06
AUTO EXPENSE	45,114.05	0.32	45,114.05	0.32
MEALS & ENTERTAINMENT	67,345.73	0.48	67,345.73	0.48
COMMISSION/CONSULTING FEES	62,724.83	0.45	62,724.83	0.45
PROFESSIONAL FEES	69,054.11	0.49	69,054.11	0.49
ADVERTISING	48,900.43	0.35	48,900.43	0.35
BANK FEES	1,179.00	0.01	1,179.00	0.01
DUES & SUBSCRIPTIONS	23,588.54	0.17	23,588.54	0.17
EDUCATIONAL/TRAINING	1,653.70	0.01	1,653.70	0.01
OFFICE EXPENSE	77,642.31	0.56	77,642.31	0.56
RENT-OFFICE	36,000.00	0.26	36,000.00	0.26
EQUIPMENT RENTAL OFFICE	10,187.52	0.07	10,187.52	0.07
DEPRECIATION/OFFICE	6,154.35	0.04	6,154.35	0.04
TELEPHONE	33,200.28	0.24	33,200.28	0.24
TRASH REMOVAL	12,830.23	0.09	12,830.23	0.09
TAXES OTHER	2,975.76	0.02	2,975.76	0.02
CONTRIBUTIONS	5,925.00	0.04	5,925.00	0.04
TOTAL GENERAL & ADMIN	1,697,022.78	12.16	1,697,022.78	12.16
OTHER REVENUE AND (EXPENSES)				
AMORTIZATION	(7,391.76)	(0.05)	(7,391.76)	(0.05)
INTEREST-WELLS FARGO-CNC	(18,727.43)	(0.13)	(18,727.43)	(0.13)
INTEREST YALE FORKLIFT	(1,293.39)	(0.01)	(1,293.39)	(0.01)
INTEREST-MERIDIAN LOC	(131.94)	0.00	(131.94)	0.00
INTEREST-MERIDIAN TERM LOAN	(49,319.25)	(0.35)	(49,319.25)	(0.35)
INTEREST OTHER	(242.59)	0.00	(242.59)	0.00
INTEREST INCOME	1,613.09	0.01	1,613.09	0.01
TOTAL OTHER REVENUE/(EXP)	(75,493.27)	(0.54)	(75,493.27)	(0.54)
NET INCOME (LOSS)	\$ 402,711.58	2.88	\$ 402,711.58	2.88

For Management Purposes Only



RAIL SYSTEMS GROUP

AAR Certified

WHEEL/AXLE ASSEMBLIES, ROLLER BEARING, GEARBOX TRANSMISSION & TRUCK ASSEMBLY DIVISIONS

Code of Ethics and Business Conduct

Values - Vision – Strengths

ONE CODE

Our Code of Ethics and Business Conduct is intended to promote lawful and ethical behavior by all members of the board of directors and all dominion and non dominion employees.

UTCIRAS' Code of Ethics and Business Conducts purpose is to ensure that the company and those acting on its behalf conducts business according to our core values and all applicable company policies and legal requirements. This Code covers a broad range of issues, including such things as workplace safety, conflicts of interest, integrity, fairness, use of company assets, protection of employee and customer information, manufacturing and quality standards.

Definitions:

- Core Values –Respect, Integrity, Performance Excellence, Accountability.
- Applicable Company Policies – General Work Rules, Safety Work Rules & Safety Programs, Drug/Alcohol Free Workplace, Job Specific Work Rules, Business Conduct, Financial and Medical Records, Confidentiality, UTCIRAS and Other Company' property, Manufacturing Procedures, Quality Procedures.
- Legal Requirements – Follow all County, State and Federal Laws. Follow all Legal Bonding Documents.