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Jack Cooper to buy Allied Systems, become largest N.A. car hauler

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Leading U.S. car hauler Allied Systems Holdings Inc. said it has agreed to be sold in U.S. Bankruptcy Court to Jack Cooper Holdings Corp. for \$135 million.

The transaction, announced Wednesday, makes Jack Cooper Transport Co. Inc. North America's largest automotive transportation company. Allied Systems owned and operated one of the largest auto transportation companies in the United States, but struggled financially, having filed Chapter 11 bankruptcy twice in the past decade.

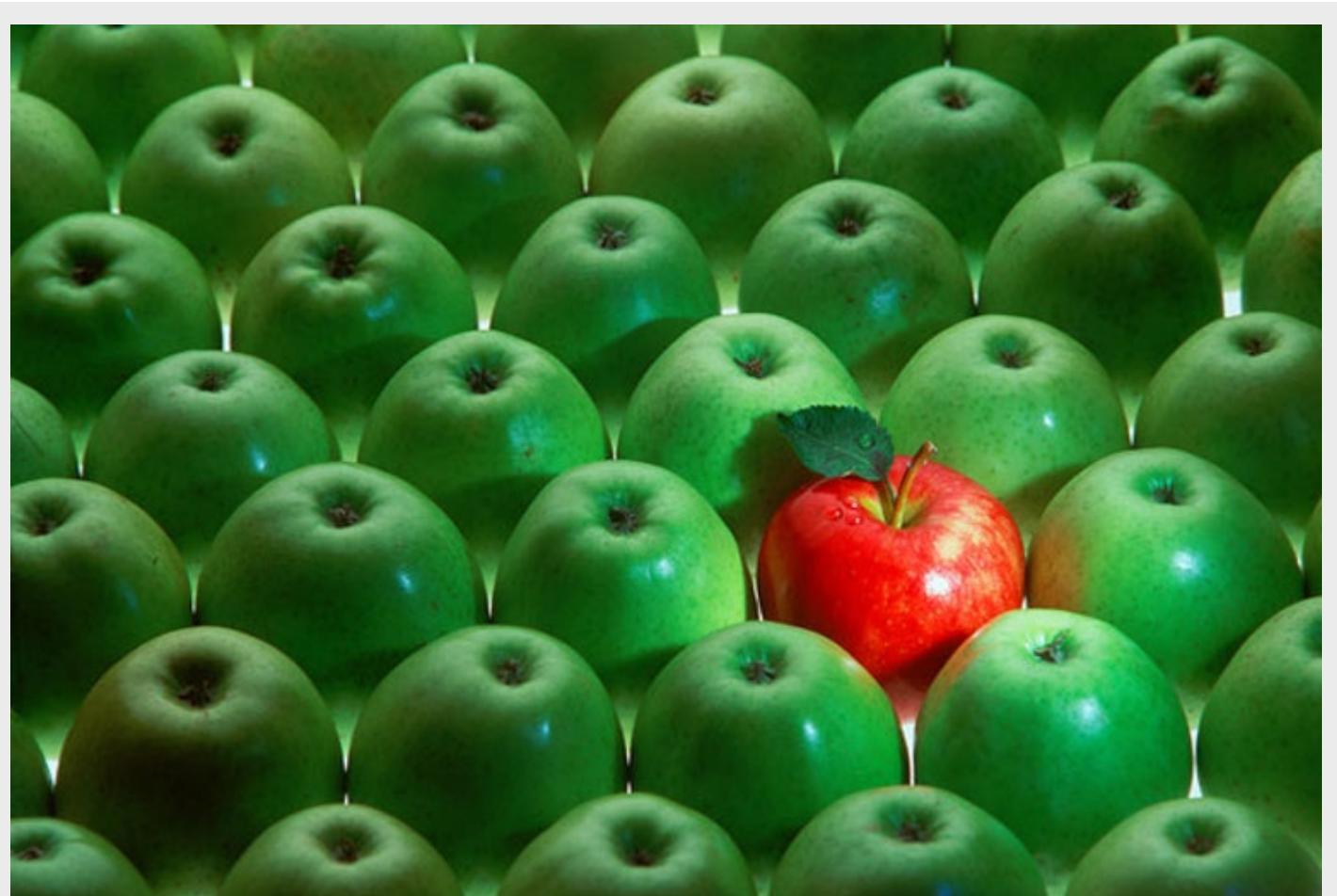
Both Allied and Jack Cooper are car-hauling companies that deliver shipments of vehicles from the manufacturers to dealerships across North America.

Allied Holdings Inc. filed for bankruptcy in July 2005, emerging in 2007 as Allied Systems Holdings Inc., which in turn filed for bankruptcy in June 2012.

According to a [2011 report in Automotive Logistics](#), the car hauler withdrew its distribution services for Chrysler and General Motors in 2011. The hauler initially planned a 20 percent pay cut to employees, but later decided to increase haulage rates. When the automakers rejected the increased transportation rates, Allied withdrew its services, the report said.

Jack Cooper Transport, during a Sept. 12 auction, won with its \$135 million bid, receiving approval by all major parties involved in the bankruptcy proceedings, including the Teamsters union, which objected to previous bidders.

"We believe awarding Allied to Jack Cooper gives our members the best job and income security," Ray Gross, director of the Teamsters car-haul division, said in a statement. "With that said, we are still analyzing Jack Cooper's latest bid to make sure our members' interests are protected moving forward.



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"Cooper has been focused on financial issues related to purchasing Allied and we have not yet had any detailed discussion on the impact of the sale on operational issues."

With the addition of Allied Systems, Jack Cooper Transport will have a combined fleet of 4,000 trucks and trailers. Jack Cooper Transport was founded by Jack Cooper in 1928 and has grown into the largest auto transport company in North America. With the Allied Systems assets, its annual revenue is expected to reach \$1 billion in 2014.

"Through this acquisition we will be able to not only save close to 1,500 jobs at Allied, but also ensure the stability and prosperity of the car-haul industry as a whole by avoiding any interruption of customers' business," Theo Ciupitu, Jack Cooper Holdings' general counsel, said in a statement.

The effective sale date for Allied System to Jack Cooper Transport is scheduled for Oct. 31, 2013, but will take place no later than Dec. 31, 2013.

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**joyserve211** • a year ago

Now let's not blame it all on management, unions needs to step up on Allied's failure, for decades unions wanted more and more, every contract that's won the carriers passed the increase to the shippers who increased the price of vehicles to the consumer, didn't it ever accrue to the unions that somebody had to pay for the contract, didn't come from the carriers, didn't come from the shipper, auto shippers put the brakes on the haulage increases the carriers were demanding, even a 10 year old could figure that out.

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So the teamsters manage to put another company out of business with their GREED.

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i know.

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To bad another good paying job gone drivers will never make that money driving for someone else but yes it is teamster greed. They had it all and slowly bled out what a shame.

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no teamster,s put no one of bussness, they put there self out of bussness, poor. poor managment.I work for allied system,s several years. don,t no how they made it this far,running truck,s over trucks, with no merit,

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