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2 December 2015

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Office of Proceedings

December 2, 2015

Part of

Public Record

Hon. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20024

Re: Michael Williams - Control Exemption,
F.D. 35957

Dear Ms. Brown:

Enclosed for filing please find several letters responsive to allegations by Mr. Huff in his comment marked as filed on November 10, but not available for download or otherwise received by the undersigned until approximately November 13.

Thank you for your assistance in this matter.

Respectfully,



Charles H. Montange
Counsel for Michael Williams
and SDR Holding

Encl: Letter from Mr. Williams with attachments

cc. Mr. Huff with encl. & atts, per cert of service



Dakota Southern Railway – SDR Holding Company

P.O. Box 612 Richmond, MO 64085

Phone: (816) 268-2310
Fax: (816) 268-2319
Email: accounting@rrmaterials.com

December 1, 2015

Surface Transportation Board
395 E Street SW
Washington, D.C. 20423-0001

Re: Michael Williams – Control Exemption, F.D. 35957;
Reply to comment by Mr. Huff

Sirs:

In a letter dated November 9, 2015, and subsequently filed with this Board, Mr. George Huff, suggested that I had misled this Board. He claimed that I had misrepresented that he somehow told me I was “exempt” from STB regulation. But I did not claim that he did. To the best of my knowledge, and after another review of my files on this, no one brought the matter of STB jurisdiction to my attention. The stock purchase agreement was drafted by Mr. Huff’s attorney. The draft agreement, like the final agreement, did not mention anything in connection with STB jurisdiction, nor do any e-mails or letters in my files, and I do not recall Mr. Huff or his attorney or any representative of the seller orally either raising or discussing the issue with me at any relevant time. I was not represented by counsel in the transaction, and reiterate that I was unaware of STB jurisdiction. I apologize for the delay in seeking authorization when advised by counsel in another proceeding of STB jurisdiction, and I am now endeavoring to bring myself into compliance in respect to this transaction. In addition, I have reviewed additional transactions and will be taking remedial steps as necessary. Finally, I will retain counsel to make seek pre-authorizations in the event of future transactions, and have been doing so in more recent years.

I attach hereto a letter from my banker at US Bank which provided financing for the transaction. Among other things, the letter indicates that the Bank's attorneys did not flag the matter either.

Dakota Southern Railroad has three major customers: Gavilon (1331 Capitol Ave, Omaha, NE 68102-1106); Graphic Packaging Int. (1700 W Ash Ave, Mitchell SD); and CHS Farmers Alliance (1320 W Havens Ave, Mitchell SD). I am attaching hereto a letter of support from Gavilon, our largest customer. We are orally informed that the other two shippers are also supportive.

Mr. Huff has been paid in full. He states in his November 9 comment that he is retired and has no wish to get back into the business as owner or operator. He thus does not appear to be asking this Board to deny authority for the transaction. His comment thus appears not only to mis-read my filings, but also to no purpose in terms of relief.

Respectfully,

A handwritten signature in cursive script that reads "Mike Williams".

Michael Williams
President, SDR Holding Company

Att: US Bank Letter
Gavilon Letter
Graphic Packaging Int



All of **us** serving you™

1901 Main Street
Higginsville, MO 64037
660.584.2124
660.584.6128 fax

November 24, 2015

Surface Transportation Board
395 E Street SW
Washington, D.C. 20423-0001

Re: Michael Williams – Control Exemption, F.D. 35957

Dear Sir/Madam:

This letter is for filing in the above proceeding by Mr. Williams. I am the Market President for US Bank's Richmond and Higginsville (MO) Branches, which originated the bank loan to finance the acquisition at issue in the above proceeding. I handled the loan application by which Mr. Michael Williams financed the transaction at issue in this proceeding, and dealt personally with Mr. Williams in that connection. It is my understanding that the counter-party to Mr. Williams has questioned Mr. Williams' veracity.

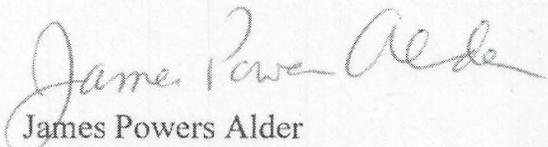
1. So far as I am aware, neither Mr. Williams nor anyone associated with him was aware of any Surface Transportation Board (STB) licensing-type requirement for the transaction at issue in this proceeding (acquisition of stock in Dakota Southern Railroad by Mr. Williams or a company controlled by Mr. Williams). So far as I am aware, Mr. Williams was not represented by legal counsel in the transaction.
2. At the time of the transaction, I was not aware of any STB licensing-type requirement for the transaction at issue in this proceeding, nor was US Bank. We were represented by legal counsel whom we believed familiar with rail regulation, but were not informed of any applicable requirement. I plan to contact counsel to find out how this issue was missed.

3. Having known and dealt with Mr. Williams for 30+ years, I have no reason to think, and do not believe, that he would intentionally mislead me, the bank, or this agency, much less be untruthful.

4. We request that Mr. Williams be authorized to proceed with the transaction.

Should you have any questions for me don't hesitate to call me at my contact numbers below.

Respectfully,

A handwritten signature in cursive script that reads "James Powers Alder". The signature is written in dark ink and is positioned above the printed name.

James Powers Alder

Market President

Richmond—M, W, & F—816-774-5444

Higginsville—T & Th—660-584-2124



November 25, 2015

Surface Transportation Board
395 E Street SW
Washington, D.C. 20423-0001

Re: Michael Williams – Control Exemption, F.D. 35957

This letter responds to the request we received from Mr. Williams for our impression of the service we are receiving from Dakota Southern Railroad since he acquired the stock in same. I believe my company, Gavilon, is currently the largest shipper on the line, at roughly 5000 carloads/year. We have received excellent service during Mr. Williams' ownership and have no reason to wish that ownership unwound or otherwise upset. To the contrary, we wish to continue our mutually beneficial transportation relationship. We support any action by this agency necessary to authorize Mr. Williams' continuation in control.

Respectfully,

A handwritten signature in blue ink, appearing to read "Shane Berrett".

Shane Berrett
Vice President, Transportation
Gavilon Global Ag Holdings LLC

Subject: Fwd: service from DSRC

From: Avory Beggs (avory@rrmaterials.com)

To: c.montange@frontier.com;

Cc: mw@rrmaterials.com;

Date: Tuesday, December 1, 2015 11:21 AM

See below.

Sent from my iPhone

Begin forwarded message:

From: "Sivik, Mike" <sivikm@graphicpkg.com>
Date: December 1, 2015 at 1:09:24 PM CST
To: Avory Beggs <avory@rrmaterials.com>
Subject: service from DSRC

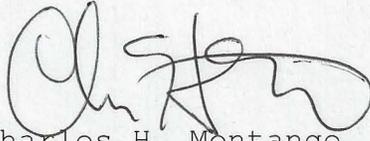
To Whom It May Concern,

Graphic Packaging International's Mitchell, South Dakota facility has been serviced by Dakota Southern over the past decade and have been satisfied with the overall quality of this service. We typically receive between 1000 and 1500 railcars of inbound material annually. Line of communication has been established with DSRC and we have the ability request short term requirements and special needs as circumstances dictate. Any disruption in current status of DSRC as it relates to GPI Mitchell could very easily have a negative impact on our ability to produce in an efficient and timely manner.

Michael Sivik
Production Control Manager
Graphic Packaging Int.
Mitchell, SD

Certificate of Service

I hereby certify service by USPS, postage pre-paid, first class of the foregoing letter of Michael Williams dated December 1, 2015, and attachments upon George A. Huff, PO Box 2, Chamberlain, S.D. 57325-0002, this 2d day of December 2015.

A handwritten signature in black ink, appearing to read 'Charles H. Montange', written in a cursive style.

Charles H. Montange

Counsel for SDR Holding Company and Michael Williams
426 NW 162d St.
Seattle, WA 98177
206-546-1936
Fax: 206-546-3739
c.montange@frontier.com