

October 23, 2014

Hon. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW, Room 100
Washington, DC 20024

VIA HAND DELIVERY

236891

Re: **Re: AD&A Railway, LLC - Acquisition and Operation
Exemption -
V&S Railway LLC
STB Finance Docket No. 35867**

ENTERED
Office of Proceedings
October 23, 2014
Part of
Public Record

Dear Chief Brown:

Please find enclosed for filing the original and ten copies of the Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.31, and a check in the amount of \$1,800 as the filing fee pursuant to 49 C.F.R. § 1002.2.

Enclosed please find a duplicate copy of this letter and self-addressed stamped envelope to be stamped with the filing date and returned to the undersigned. Please contact me if you have any questions.

Very truly yours

STINSON LEONARD STREET LLP



David F. Rifkind

Enclosures

cc: Scott Roberts
Adam Mervis

FILED
October 23, 2014
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
October 23, 2014
SURFACE
TRANSPORTATION BOARD



BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35867

AD&A RAILWAY, LLC
--ACQUISITION AND OPERATION EXEMPTION --
V & S RAILWAY, LLC

VERIFIED NOTICE OF EXEMPTION

AD&A RAILWAY, LLC

STINSON LEONARD STREET
David F. Rifkind
1775 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20006-4605
Tel. (202) 969-4218
Fax. (202) 785-9163

Counsel for AD&A Railway, LLC

Date: October 23, 2014

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35867

AD&A RAILWAY, LLC
--ACQUISITION AND OPERATION EXEMPTION --
V & S RAILWAY, LLC

VERIFIED NOTICE OF EXEMPTION

AD&A Railway, LLC (“AD&A” or “Applicant”), a non-carrier, hereby files this Verified Notice of Exemption pursuant to the class exemption at 49 C.F.R. §§ 1150.31-1150.34, to acquire the interests of V & S Railway, LLC (“V&S”) in, and to operate on, approximately 5.14 miles of rail lines located between milepost 0.0 and milepost 5.14 in Hutchinson, Reno County, Kansas (the “V&S Lines”).

The projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million.

Required Information

In accordance with the provisions of 49 C.F.R. § 1150.33, AD&A submits the following information:

1150.33(a) Full name and address of Applicant.

AD&A Railway, LLC
3295 East Main St.
Danville, IL 61834

1150.33(b) Name, address and telephone number of representative of Applicant.

David F. Rifkind
Stinson Leonard Street, LLC
1775 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20006-4605
Tel. (202) 969-4218
Fax. (202) 785-9163

1150.33(c) Statement that agreement has been reached or details about when an agreement will be reached.

On October 10, 2014, AD&A's parent company, Mervis Industries, Inc. ("Mervis"), executed a Memorandum of Understanding (MOU) with V&S which sets out the principal terms for the acquisition of the V&S Lines. Pursuant to the MOU, the parties to the MOU expect to enter into a definitive agreement providing for AD&A's acquisition of the V&S Lines by no later than October 30, 2014.

1150.33(d) The operator of the property.

V&S is the current operator of the V&S Lines.

1150.33(e) A brief summary of the proposed transaction.

AD&A is a non-carrier established by Mervis for the purpose of acquiring certain assets including the V&S Lines from V&S. AD&A will operate the V&S Lines as an independent Class III carrier.

Mervis is acquiring property and constructing a rail car repair facility adjacent to track owned by the City of Hutchinson. The City-owned track connects to a short stretch of track

owned by the Hutchinson Salt Company, Inc. and/or Hutchinson Transportation Company (“HSC/HTC”), which in turn connects with the V&S Lines. The V&S Lines directly connect to the Union Pacific Railroad Company’s main line and have indirect access to the BNSF Railway Company’s main lines. The City of Hutchinson and HSC/HTC will grant AD&A rights to operate over their respective tracks. In addition, HSC/HTC currently conducts private freight rail operations for itself over the V&S Lines and, pursuant to an agreement, will continue to provide such services following AD&A’s acquisition of the V&S Lines.

The approximately 5.14 miles of rail lines and rights to be acquired and operated are shown on the map attached as Exhibit A.

AD&A also provides the following additional information as required under 49 C.F.R. § 1150.33(e):

(1) The name and address of the railroad transferring the subject property.

V & S Railway, LLC
PO Box 30076
Salt Lake City, UT 84130

(2) The proposed time schedule for consummation of the transaction.

Pursuant to 49 C.F.R. § 1150.32(b), this exemption will be effective thirty (30) days after the date of filing, *i.e.*, November 23, 2014. The parties expect to consummate the transaction shortly after the exemption becomes effective, assuming all other conditions to closing have been satisfied by that time.

(3) The mileposts of the subject property.

The V&S Lines are between mileposts 0.0 and 5.14.

(4) The total route miles being acquired.

The total route miles being acquired are 5.14 ±.

1150.33(1) Map of the subject property.

A map of the V&S Lines is attached hereto as Exhibit A.

1150.33(g) A certificate that revenues will not exceed those of a Class III carrier.

AD&A certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million.

1150.33(h) A certificate whether the proposed transaction involves a provision or agreement that may limit future interchange with a third-party connecting carrier.

AD&A certifies that the proposed transaction does not involve a provision or agreement that may limit future interchange with a third-party connecting carrier.

Caption Summary

A caption summary complying with the requirements of 49 C.F.R. § 1150.34 is attached hereto as Exhibit B.

Labor Protection

Pursuant to 49 U.S.C. § 10901(e), approval of this acquisition by a non-carrier may not be subjected to labor protection conditions.

Environmental and Historic Reports

Pursuant to 49 C.F.R. § 1105.6(c)(2)(i), no environmental documentation should be required because this proceeding involves authority for an acquisition under 49 U.S.C. § 10901 for continued operations that will not result in significant changes in operations that would exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (e)(5).

No historic report under 49 C.F.R. § 1105.8(b)(1) should be required because the transaction merely involves an acquisition for continued rail operations, and further Board approval would be required in the event of a decision to discontinue or abandon any service.

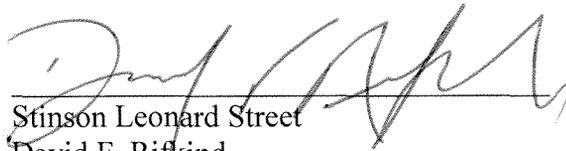
AD&A has no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

Conclusion

For the foregoing reasons, AD&A requests that the Board issue a notice of exemption pursuant to 49 C.F.R. § 1150.33.

Dated: 10/23/14

Respectfully submitted,



Stinson Leonard Street
David F. Rifkind
1775 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20006-4605
Tel. (202) 969-4218
Fax. (202) 785-9163

Counsel for AD&A Railway, LLC

VERIFICATION

I, Adam Mervis, the Managing Member of AD&A Railway, LLC verify under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on October 17, 2014

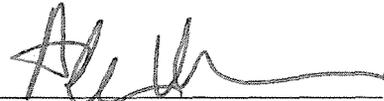

Adam Mervis

EXHIBIT A

Map



EXHIBIT B

Caption Summary

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION
FINANCE DOCKET NO. 35867

AD&A RAILWAY, LLC
--ACQUISITION AND OPERATION EXEMPTION --
V & S RAILWAY, LLC

AD&A, LLC (“AD&A”), a non-carrier, has filed a notice of exemption to acquire and operate the V&S Railway rail line between Milepost 0 and Milepost 5.14 in Hutchinson, Reno County, Kansas.

Comments must be filed with the Board and served on David F. Rifkind, Stinson Leonard Street, 1775 Pennsylvania Avenue NW, Suite 800, Washington, DC 20006-4605.

This Notice is filed under 49 C.F.R. § 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Dated:

By the Board,