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January 12, 2015
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. FD 35898

**R. J. CORMAN RAILROAD GROUP, LLC, AND
R. J. CORMAN RAILROAD COMPANY, LLC
-- CONTINUANCE IN CONTROL EXEMPTION --
R. J. CORMAN RAILROAD COMPANY/CAROLINA LINES, LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR § 1180.2(d)(2)**

CONTAINS COLOR MAPS APPENDED HERETO AS EXHIBIT A [COLOR]

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**Attorney for R. J. Corman Railroad Group,
LLC, and R. J. Corman Railroad
Company, LLC**

Dated: January 12, 2015

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SURFACE TRANSPORTATION BOARD

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Come now R. J. Corman Railroad Group, LLC (“RJC-Group”) and R. J. Corman Railroad Company, LLC (“RJCRC”)¹ and state as follows:

1. Pursuant to the Board’s rules for transactions involving railroad consolidations and acquisitions of control (49 C.F.R. part 1180), Applicants hereby give notice of a transaction qualifying for exemption under section 1180.2(d)(2) of those rules.

2. RJC-Group is a limited liability, non-carrier holding company that directly controls RJCRC, itself a non-carrier company that, in turn, controls R. J. Corman Railroad Company /Carolina Lines, LLC (“RJC-Carolina”). RJC-Group currently controls indirectly ten operating Class III railroads operating in eight states, and one non-operating railroad, R. J. Corman Railroad Property, LLC, which owns various railroad lines operated by other railroads in the R. J. Corman corporate family.

¹ RJC-Group and RJCRC will be referred to herein collectively as the “Applicants.”

3. RJC-Carolina is a non-carrier entity established under the control of the Applicants for the purposes of becoming a Class III railroad carrier by virtue of its intended acquisition and operation of certain railroad lines in North Carolina and South Carolina.

4. Specifically, RJC-Carolina will acquire from The Baltimore and Annapolis Railroad Company, d.b.a. Carolina Southern Railroad Company (“CALA”) and will operate over two interconnected rail lines (collectively, the “Line” – a total of approximately 75.9 route miles), the first extending from milepost AL 326.0 at Mullins, SC, to milepost AC 290.0 at Whiteville, NC (the “Mullins-Whiteville Segment”), and the second extending from milepost ACH 297.2 at Chadbourn (at a point of connection with the Mullins-Whiteville Segment) to milepost ACH 336.1 at Conway, SC (the “Chadbourn-Conway Segment”). Incidental to the above-referenced rail line acquisition, CALA will retain ownership of, but will grant RJC-Carolina local trackage rights over, a mile of railroad line extending between milepost AC 290.0 and the end of the line at milepost AC 289.0 – all at or near Whiteville, NC (the “Whiteville Mile”). To that end, RJC-Carolina is filing, along with the Applicants’ continuance in control notice of exemption, an acquisition and operation notice of exemption pursuant to 49 C.F.R. § 1150.31, et seq., in STB Docket No. FD 35897.

5. The railroads under Applicants’ control (the “RJC Railroads”) are as follows:
R. J. Corman Railroad Company/Allentown Lines, Inc.; R. J. Corman Railroad Company/Bardstown Line; R. J. Corman Railroad Company/Central Kentucky Lines, LLC; R. J. Corman Railroad Company/Cleveland Line; R. J. Corman Railroad Company/Memphis Line; R. J. Corman Railroad Company/Pennsylvania Lines Inc.; R. J. Corman Railroad Company/Western Ohio Line; R.J. Corman Railroad Company/Tennessee Terminal, LLC; R. J.

Corman Railroad Company/WV Lines; R. J. Corman Railroad Company/Texas Lines, LLC; and R. J. Corman Railroad Property, LLC.²

6. None of the RJC Railroads connects with the rail Line that RJC-Carolina will acquire and operate. Moreover, this continuance in control transaction is not a part of a series of anticipated transactions that would result in such a connection or any new interconnection among the RJC Railroads. Nor does the proposed transaction involve a Class I carrier. Applicants' continuance in control of RJC-Carolina alongside the other RJC Railroads at such time as RJC-Carolina becomes a common carrier is, accordingly, exempt under 49 C.F.R. § 1180.2(d)(2).

7. In invoking the subject class exemption, 49 C.F.R. § 1180.4(g), requires that the Applicants submit a verified notice furnishing, among other things, the information requested in sections 1180.6(a)(1)(i)–(iii), 1180.6(a)(5)–(6), and 1180.6(a)(7)(ii) of those rules. That information is provided below as follows:

Summary of Proposed Transaction: 49 CFR § 1180.6(a)(1)(i)

The Applicants have established RJC-Carolina as a non-carrier subsidiary under direct RJCRC control and, in turn, under indirect RJC-Group control to acquire, rehabilitate, and resume operations over the Line (the majority of which has been out of service for over three years as explained in the related acquisition and operation notice of exemption RJC-Carolina has filed today in FD 35897.) The Applicants have invoked the section 1180.2(d)(2) class exemption to permit them to continue in control of RJC-Carolina at such time as RJC-Carolina becomes a Board-regulated railroad common carrier on the Line.

² R. J. Corman Railroad Property, LLC (“RJCRP”) is a non-operating, STB-regulated railroad carrier by virtue of its ownership of certain active rail lines that are operated by RJCRP’s corporate affiliates. See, e.g., R. J. Corman Railroad Company/Bardstown Line – Lease and Operation Exemption – R. J. Corman Railroad Property, LLC, STB Docket No. FD 35364 (STB served Jun. 29, 2011); and R. J. Corman Railroad Property, LLC – Acquisition Exemption – NC Railroad, Inc., STB Docket No. FD 35363 (STB served Jun. 29, 2011).

Applicants' names, addresses, and telephone numbers:

R. J. Corman Railroad Group, LLC
101 R. J. Corman Drive
P.O. Box 788
Nicholasville, KY 40340

R. J. Corman Railroad Company, LLC
101 R. J. Corman Drive
P.O. Box 788
Nicholasville, KY 40340

Legal counsel to whom questions should be addressed:

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, IL 60606-2832
(312) 252-1500

Schedule for consummation: **49 CFR §1180.6(a)(1)(ii)**

The parties intend to consummate the transaction on or about February 11, 2015.

Purpose to be accomplished by the transaction: **49 CFR §1180.6(a)(1)(iii)**

Applicants seek through the proposed transaction to bring fresh capital and management perspective from an experienced short line management team to the restoration of the Line (most of which has long been out of service despite strong shipper interest in rail service) and the post-rehabilitation provision of rail carrier service over the Line. The Applicants anticipate that RJC-Carolina operations will facilitate traffic increases by demonstrating to customers that have been without service for as much as three years that the Line is under the control of an experienced operator with adequate resources, dedicated to the Line's long-term success. In addition, the Applicants intend through the related acquisition and operation transaction and continuance in control transaction to reduce overhead expenses, coordinate billing, maintenance, mechanical

and personnel policies and practices among the RJC Railroads (which will include RJC-Carolina), and, consequently, to improve RJC-Carolina's overall efficiency.

State(s) in which the property of each carrier is situated: **49 CFR §1180.6(a)(5)**³

R. J. Corman Railroad Company/Allentown Lines, Inc.	Pennsylvania
R. J. Corman Railroad Company/Bardstown Line	Kentucky
R. J. Corman Railroad Company/Central Kentucky Lines, LLC	Kentucky
R. J. Corman Railroad Company/Cleveland Line	Ohio
R. J. Corman Railroad Company/Memphis Line	Kentucky & Tennessee
R. J. Corman Railroad Company/Pennsylvania Lines Inc.	Pennsylvania
R. J. Corman Railroad Company/Western Ohio Line	Indiana & Ohio
R.J. Corman Railroad Company/Tennessee Terminal, LLC	Tennessee & Mississippi
R. J. Corman Railroad Company/WV Lines	West Virginia
R. J. Corman Railroad Company/Texas Lines	Texas

Map: **49 CFR § 1180.6(a)(6)**

Maps are attached hereto as Exhibit A. The maps depict, among other things – (1) the location of the lines of the various operating RJC Railroads, excluding RJCRP, which, as mentioned above, owns certain of the rail lines operated by other RJC Railroads; and (2) the Line that RJC-Carolina proposes to operate.

Copy of agreement: **49 CFR § 1180.6(a)(7)(ii)**

Applicants have not entered into, and do not plan to enter into, any agreement related to their continuance in control of RJC-Carolina.

³ As indicated above, R. J. Corman Railroad Property, LLC (RJCRP), owns, but does not operate, certain rail lines operated by corporate affiliates included in response to the informational requirements of section 1180.6(a)(5). RJCRP does not own any rail lines operated by a non-affiliated third party.

Interchange commitments: **49. C.F.R. § 1180.4(g)(4)**

The subject continuance in control transaction does not impose or extend any interchange commitment prohibiting or limiting the interchange of traffic among railroads.

Certification:

Applicants hereby certify that – (1) RJC-Carolina will not connect with any other of the aforementioned RJC Railroads; (2) the subject continuance in control proceeding is not a part of a series of anticipated transactions that would connect some or all of these railroads; and (3) the transaction does not involve a Class I carrier.

Environmental and historical considerations:

This proceeding is exempt from environmental review under 49 C.F.R. § 1105.6(c)(2)(i) because the proposed action will not cause any operating changes exceeding the thresholds established in 49 C.F.R. §§ 1105.7(e)(4) or (5). In addition, this proceeding is exempt from historic review under 49 C.F.R. § 1105.8(b)(1) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are at least 50 years old. Accordingly, no environmental or historic report is required.

Labor protection:

As set forth above, all of the railroads involved in the proposed transaction encompassed by this notice are Class III short line carriers. By statute, labor protection is not applicable to transactions involving only Class III railroads. See 49 U.S.C. § 11326(c).

Respectfully submitted,



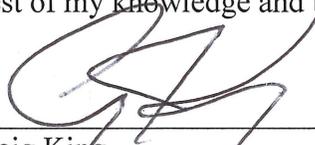
Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Attorney for R. J. Corman Railroad Group, LLC, and
R. J. Corman Railroad Company, LLC

Dated: January 12, 2015

VERIFICATION

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that I am authorized to make this verification on behalf of R. J. Corman Railroad Group, LLC, and that the foregoing notice of exemption is true and correct to the best of my knowledge and belief.



Craig King
President and Chief Executive Officer
R. J. Corman Railroad Group, LLC

January 9, 2015

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

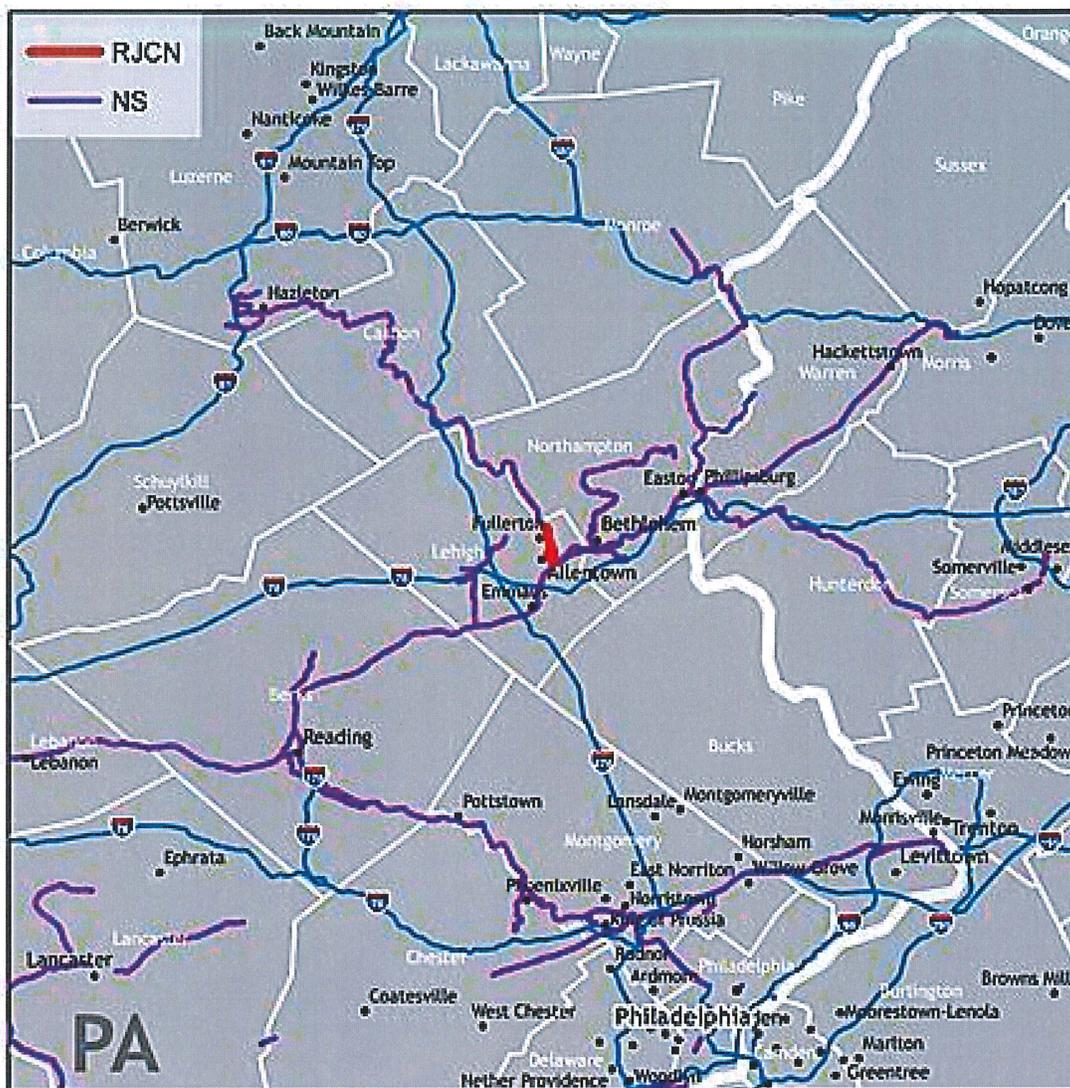
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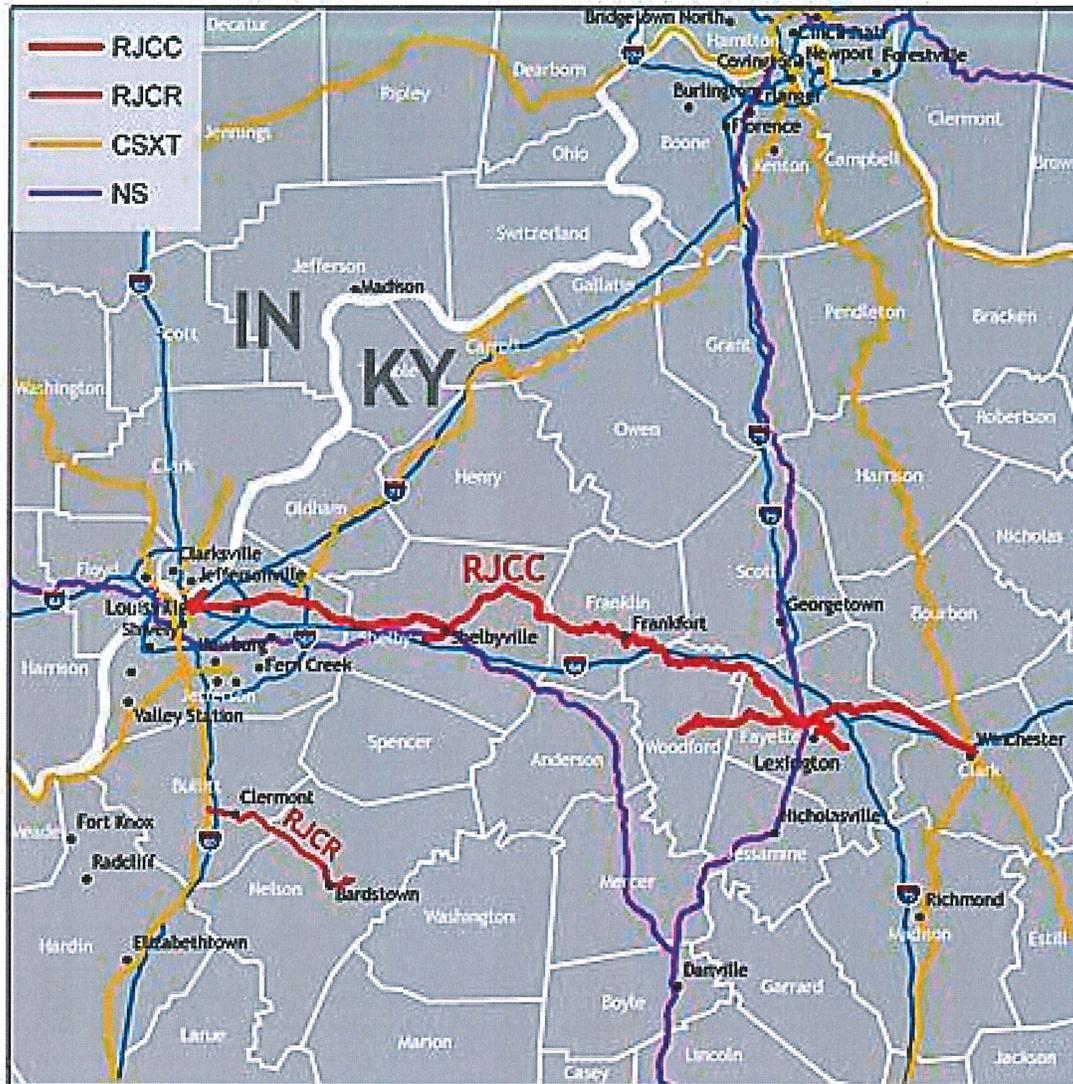
EXHIBIT A

**Maps
[Color]**

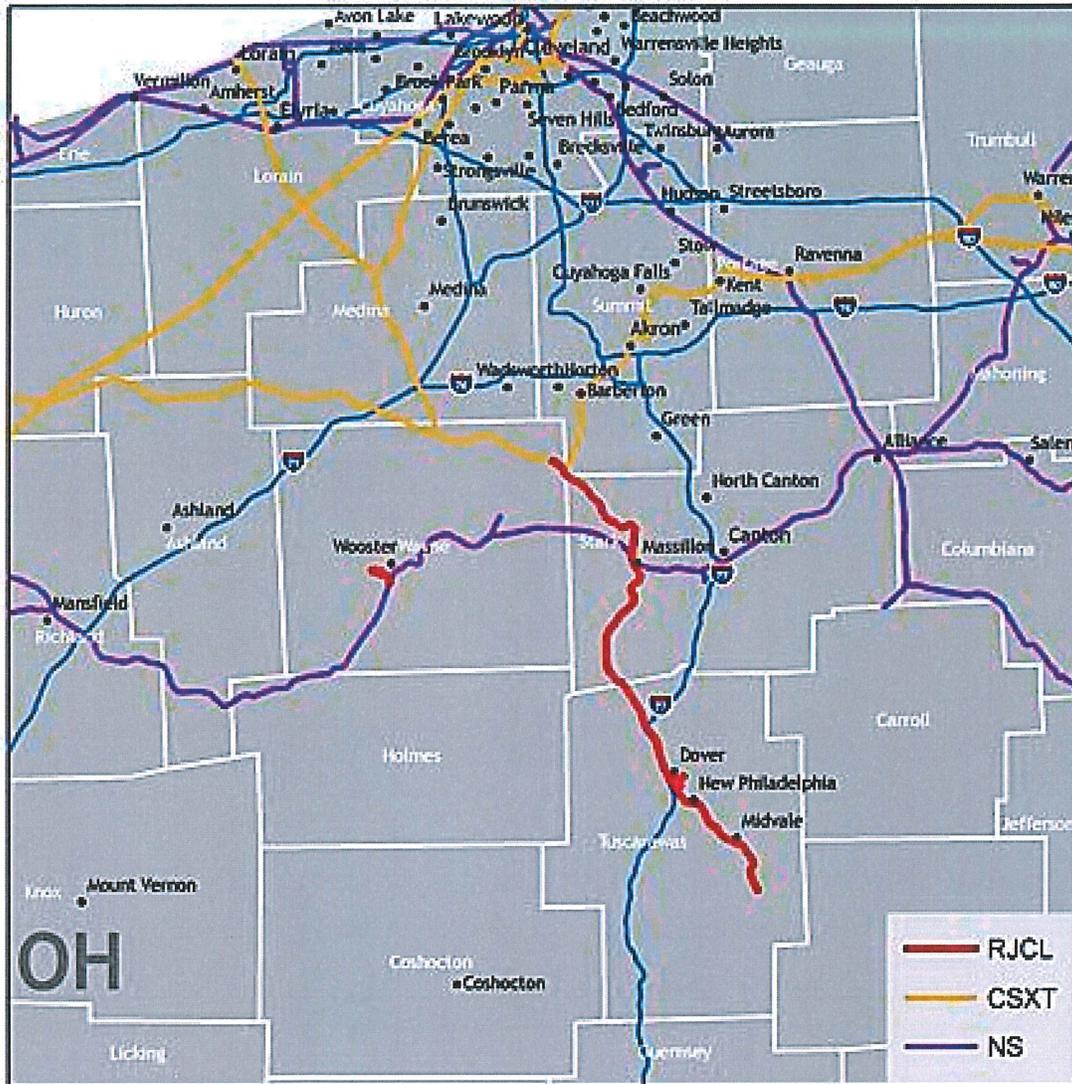
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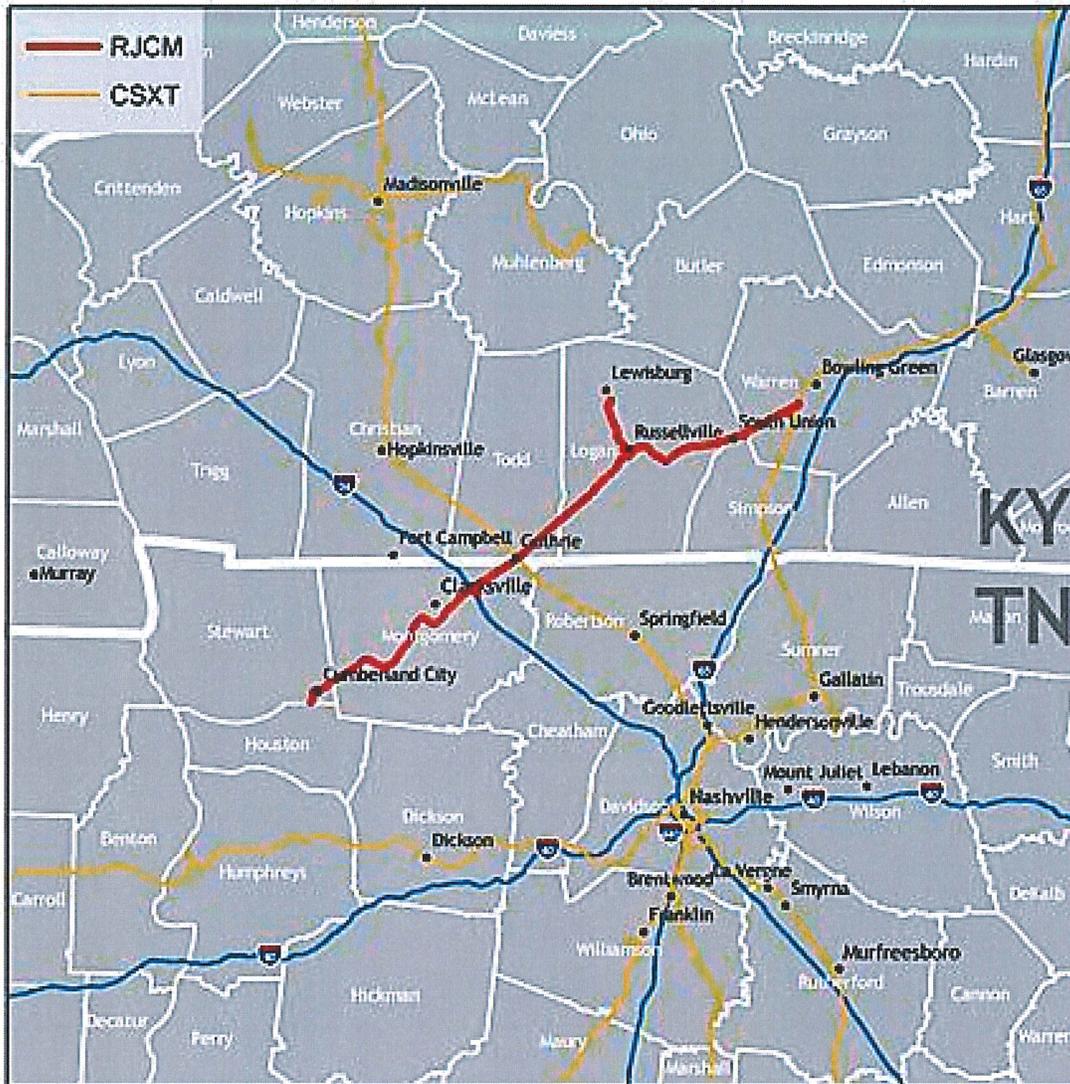
R. J. Corman Railroad Company/Central Kentucky Lines, LLC



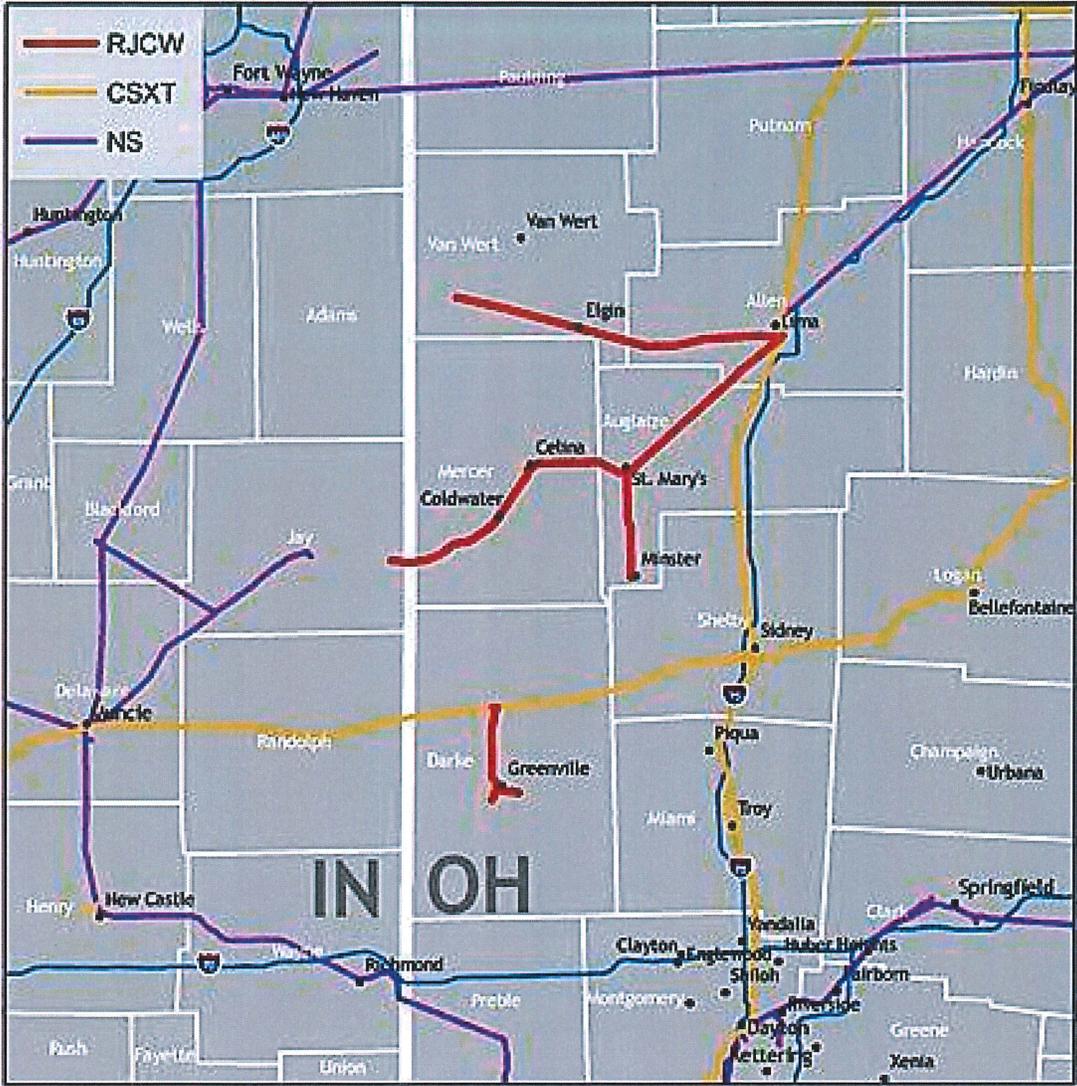
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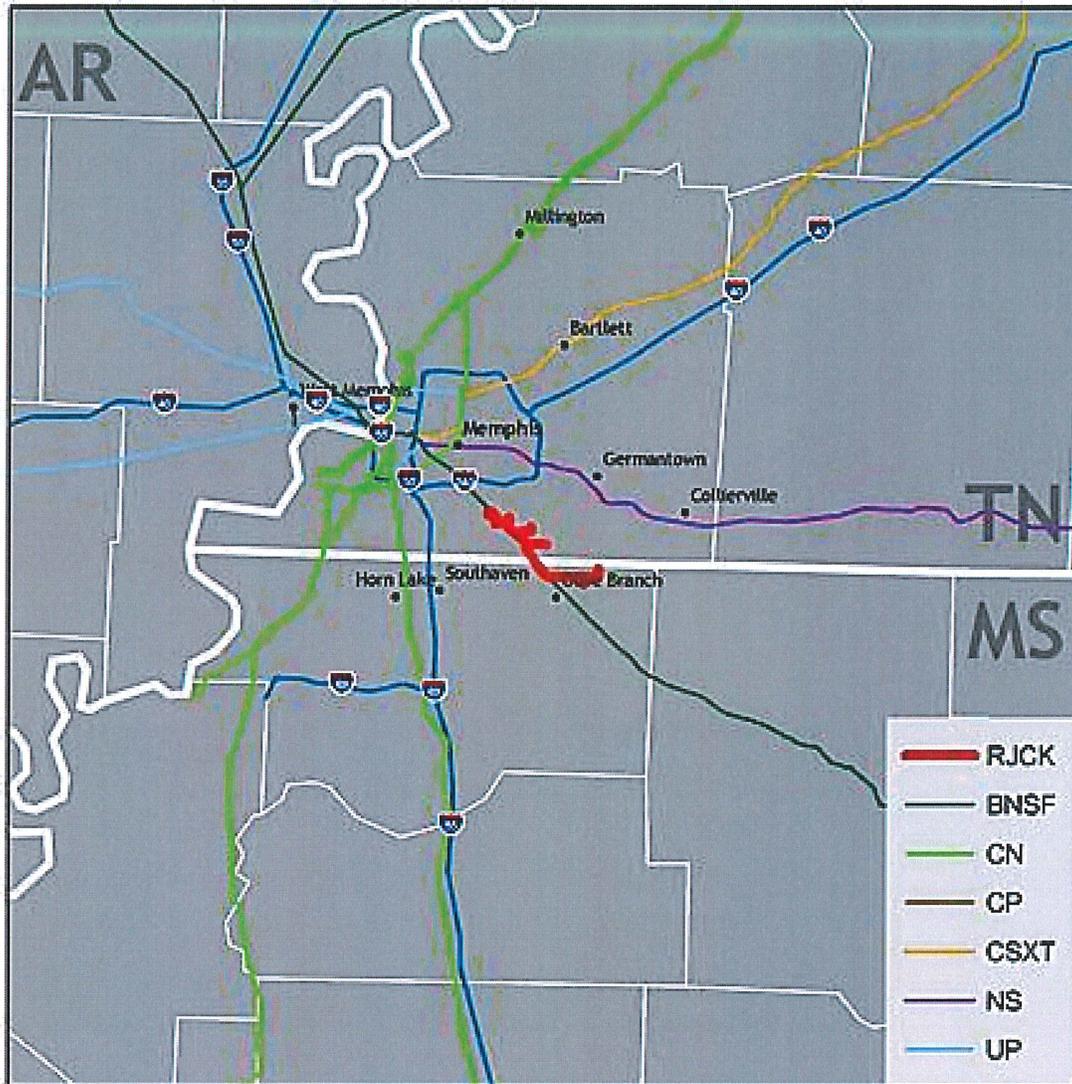
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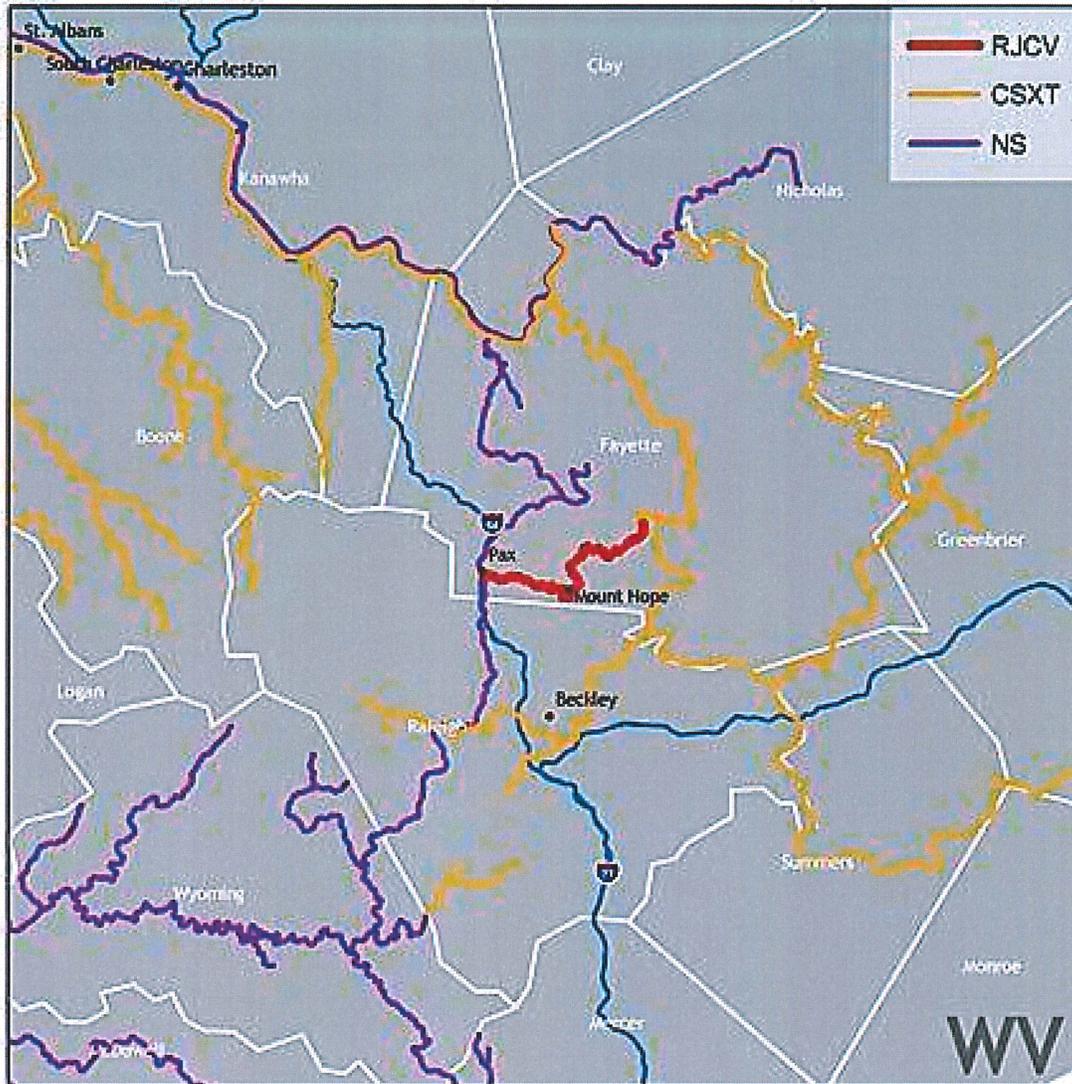
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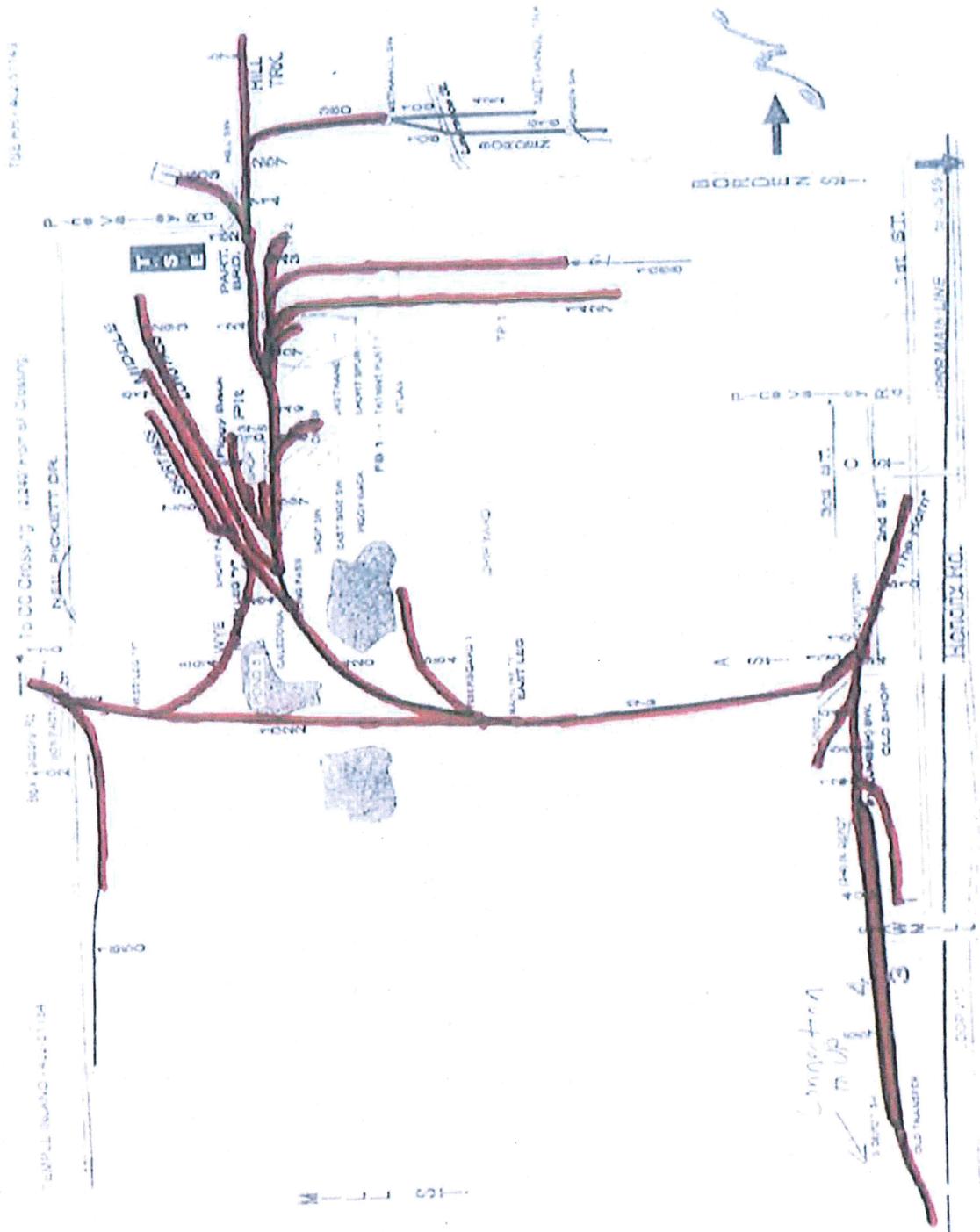
R.J. Corman Railroad Company/Tennessee Terminal, LLC



R. J. Corman Railroad Company/WV Lines



R. J. Corman Railroad Company/Texas Lines, LLC



R. J. Corman Railroad Company/Texas Lines, LLC (cont'd.)

