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May 23, 2012

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May 23, 2012
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Public Record

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RE: Finance Docket No. 35622, *SteelRiver Infrastructure Partners LP*,
SteelRiver Infrastructure Associates LLC, *SteelRiver Infrastructure Fund*
North America LP and *Patriot Funding LLC—Control Exemption—Patriot*
Rail Corp. et al.

Dear Ms. Brown:

On May 21, 2012, SteelRiver Infrastructure Partners LP, SteelRiver Infrastructure Associates LLC, SteelRiver Infrastructure Fund North America LP, and Patriot Funding LLC (collectively “SteelRiver”) and Patriot Rail Corp. (“Patriot”) filed a Motion to Modify Protective Order. Sierra Railroad Company and Sierra Northern Railway (“SERA” and collectively “Sierra”) filed on May 22, 2012, Opposition to Motion to Modify Protective Order and Request for Housekeeping Stay to Resolve Protective Order Issues (“Opposition”).

On May 23, 2012, SteelRiver and Patriot offered to provide a complete copy of the attached Confidential Stock Purchase Agreement with all exhibits and schedules (“SPA”), with minimal redactions of highly sensitive dollar amounts and bank account information to Sierra upon the execution and provision of Undertakings by those people who would see or handle the SPA. Except for the redaction of the highly sensitive amounts and bank account information, SteelRiver and Patriot acquiesced to the Opposition by allowing the document to be seen by Sierra’s management, other counsel, and outside counsel and consultants upon execution of the Undertaking required by the Board’s decision served May 18, 2012, which limits use of the material produced to the above-entitled proceeding before the Board. All of the information that Sierra sought in the Opposition is provided in the attached SPA. This offer by SteelRiver and Patriot effectively moots the need for a technical conference, a housekeeping stay, or any other relief requested by Sierra.

Sierra has effectively rejected this offer from SteelRiver and Patriot by transmitting the email attached as Exhibit A. Indeed, outside counsel for Sierra have not provided Undertakings under the May 18, 2012 Board Protective Order to SteelRiver and Sierra. The refusal of the offer by Sierra and the failure of outside counsel for Sierra to

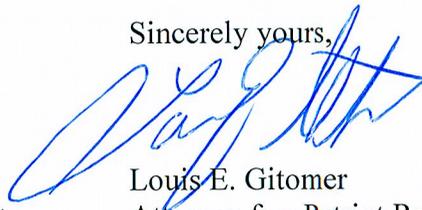
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execute the undertaking to review the Confidential SPA evidence nothing more than bad faith on behalf of Sierra and a clear attempt to delay and frustrate the acquisition of Patriot by SteelRiver. Any delay has been caused solely by Sierra. Sierra did not even seek the confidential version of the SPA until May 18, 2012, 11 days after it was filed. Now, Sierra has rejected a more than reasonable offer of discovery, as the Board can see upon a review of the attached Confidential SPA. All of the information that Sierra sought in the Opposition is provided in the attached Confidential SPA.

For the above-reasons, SteelRiver and Patriot respectfully request that the Board deny all relief sought by Sierra in the Opposition.

SteelRiver and Patriot are e-filing this response. Thank you for your assistance. If you have any questions, please call or email me.

Sincerely yours,



Ahren Tryon
Attorney for: SteelRiver Infrastructure
Partners LP, SteelRiver Infrastructure
Associates LLC, SteelRiver Infrastructure
Fund North America LP and Patriot
Funding LLC

Louis E. Gitomer
Attorney for: Patriot Rail Corp., et al.

Enclosure

Cc: Mr. Litlan without Confidential enclosure for failure to execute confidential undertaking.

EXHIBIT A

Louis E. Gitomer

From: Litland, Roy <rlitland@steptoe.com>
Sent: Wednesday, May 23, 2012 1:07 PM
To: Louis E. Gitomer
Cc: Sipe, Samuel; LaRocca, Anthony
Subject: SteelRiver Infrastructure Partners LP-Control Exemption-Patriot Rail Corp.

Mr. Gitomer:

Thank you for your phone call this morning and your proposal to provide Sierra and its counsel, subject to the existing Protective Order, a less redacted version of the Patriot/SteelRiver Stock Purchase Agreement than the version that you filed with your Notice of Exemption. Your suggestion is a helpful start in distinguishing between Confidential Information that could be provided to Sierra's executive management, and Highly Confidential Information. However, under your proposal, the Board would still need to enter a modified Protective Order to provide Sierra's outside counsel with access to the unredacted SPA as Highly Confidential Information, which is what Sierra proposed in a filing that Sierra made yesterday. Also, given the rapidly approaching deadline for seeking a stay of the proposed transfer of control, the dispute over access to the SPA has necessitated a short housekeeping stay, which is also the subject of Sierra's May 22 filing.

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