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Ms. Cynthia T. Brown, Chief

Section of Administration

Surface Transportation Board

395 E Street, S.W.

Washington, DC 20423-0001

October 22, 2014

236924

ENTERED

Office of Proceedings

October 29, 2014

Part of

Public Record



Re: STB Docket No. AB-1110; Lackawaxen-Honesdale Shipper Association, Stourbridge Railroad Company and Delaware Lackawaxen & Stourbridge Railroad Company – Adverse Discontinuance of Operating Authority – In Wayne and Pike Counties, Pennsylvania

Dear Ms. Brown:

Enclosed for filing please find the original and ten copies of a Motion to Withdraw Exemption and Discontinue Proceeding filed on behalf of Lackawaxen Honesdale Shippers Association, Stourbridge Railroad Company and Delaware Lackawaxen & Stourbridge Railroad Company.

Please time stamp the additional copy of this letter as proof of filing and return it to the undersigned in the self addressed, stamped envelope provided for that purpose.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

RICHARD R. WILSON, P.C.

A handwritten signature in cursive script that reads 'Richard R. Wilson'.

Richard R. Wilson, Esq.

Attorney for Lackawaxen – Honesdale Shipper Association and Delaware, Lackawaxen and Stourbridge Railroad Company

RRW/bab

Enclosure

xc: Stourbridge Railroad Company
John K. Fiorella, Esq.

Before the
SURFACE TRANSPORTATION BOARD



Docket No. AB - 1110

LACKAWAXEN – HONESDALE SHIPPERS ASSOCIATION,
STOURBRIDGE RAILROAD COMPANY AND DELAWARE LACKAWAXEN &
STOURBRIDGE RAILROAD COMPANY –
ADVERSE DISCONTINUANCE OF OPERATING AUTHORITY –
IN WAYNE AND PIKE COUNTIES, PENNSYLVANIA

MOTION TO WITHDRAW EXEMPTION AND
DISCONTINUE PROCEEDING

Applicants:

Lackawaxen-Honesdale Shippers
Association; Stourbridge Railroad
Company and Delaware Lackawaxen
& Stourbridge Railroad Company

Attorney for Applicant:

RICHARD R. WILSON, P.C.
Richard R. Wilson, Esq.
Attorney for Delaware, Lackawaxen
& Stourbridge Railroad Company
518 N. Center Street, Ste. 1
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(814) 419-8152
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Dated: October 22, 2014

Before the
SURFACE TRANSPORTATION BOARD



Docket No. AB - 1110

LACKAWAXEN – HONESDALE SHIPPERS ASSOCIATION,
STOURBRIDGE RAILROAD COMPANY AND DELAWARE LACKAWAXEN &
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DISCONTINUE PROCEEDINGS

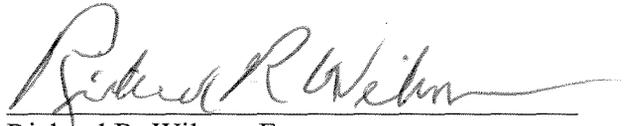
On September 23, 2013, Petitioners in the above captioned proceeding filed a Petition for Waiver in connection with efforts to obtain an adverse discontinuance of operating authority for the Morristown and Erie Railway Company, Inc. d/b/a Stourbridge Railway. On January 23, 2014, the Board issued a decision granting in part and denying in part the Petition for Waiver.

Thereafter, the parties seeking to resolve the adverse discontinuance of operating authority proceeding and other civil claims entered into a Stipulation of Resolution dated July 11, 2014 and a General Release dated July 16, 2014 copies of which are attached to this Motion. Copies of these documents were executed by all parties on September 30, 2014.

Having reached a resolution of the matters contested in this proceeding, Laxawaxen-Honesdale Shippers Association, Stourbridge Railroad Company and Delaware Laxawaxen & Stourbridge Railroad Company request that the Board dismiss

this Notice of Exemption for Adverse Discontinuance of Operating Authority with
Prejudice and discontinue this proceeding.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Richard R. Wilson", written over a horizontal line.

Richard R. Wilson, Esq.
Attorney for Lackawaxen & Honesdale
Shipper Association and Delaware,
Lackawaxen & Stourbridge Railroad
Company
518 N. Center Street, Ste. 1
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STIPULATION OF RESOLUTION BETWEEN AND AMONG MORRISTOWN &
ERIE RAILWAY, INC. FOR ITSELF AND D/B/A STOURBRIDGE RAILWAY,
LACKAWAXEN-HONESDALE SHIPPERS ASSOCIATION, DELAWARE
LACKAWAXEN & STOURBRIDGE RAILROAD COMPANY, THE WAYNE
COUNTY CHAMBER OF COMMERCE AND THE STOURBRIDGE RAILROAD
COMPANY

Morristown & Erie Railway, Inc for itself and d/b/a Stourbridge Railway (hereinafter M&E) has entered into an operating agreement with Stourbridge Railroad Company (hereinafter SRC) owner of the railroad on December 8, 2008 to operate the railroad located in Wayne County Pennsylvania. M&E also entered into an agreement dated December 16, 2009 with the Lackawaxen-Honesdale Shippers Association (hereinafter LHSA) and the Wayne County Chamber of Commerce (hereinafter "the Chamber") to operate excursion passenger service over the railroad owned by SRC. This Stipulation terminates both agreements between and among all parties to those agreements. The parties thereupon on this 11th day of July, 2014 stipulate and agree as follows:

1. All parties agree that the agreements noted above are hereby terminated and none of the parties have any obligation to any of the others regarding those contracts except as agreed to in this Stipulation.
2. M&E agrees to pay to SRC \$ 70,000 in one lump sum within thirty days of signing of this Stipulation by all parties. In addition M&E will direct RelTek, LLC the agent assigned to collect rents for tenancies on the Stourbridge Railroad to pay \$ 8,388.20 of collected rents it has in hand to SRC through M&E's attorneys. In addition SRC is notified that RelTek LLC has confirmed that there are additional rents outstanding for which collection has not been attempted which total approximately \$ 19,500.00. SRC will have the right to deal directly with RelTek, LLC to determine whether or not it wishes RelTek, LLC to pursue these rents or indicate to RelTek, LLC that SRC will pursue them through some other means.
3. M&E agrees to provide at no charge a diesel locomotive for the use by the Delaware, Lackawaxen & Stourbridge Railroad Company (hereinafter DL&SR) to operate the railroad owned by SRC, for one year commencing no later than six months from the filing by the M&E with the STB as noted below, DL&SR will be responsible for fuel, regular repairs and maintenance to the locomotive and to return it to M&E in the condition in which it was provided normal wear and tear excepted at the end of the one year term.
4. M&E agrees to pay to DL&SR the following amounts as noted below for track and signal inspections for one year to commence no later than six months after the filing with the STB by M&E as noted below.

MM
KCS

A.. Signal Maintainer one time per month for twelve months for eight hours at \$22.65 per hour totaling \$180.80 per month with a yearly total of \$2169.60 to be paid monthly when DL&SR certifies that signal inspections were made by a qualified maintainer in a given month and supplies an invoice with a copy of Signal Maintainer's report.

B.. Track Inspection, one time per month for eight hours per month for twelve months at \$ 19.00 per hour totaling \$ 152.00 per month to be paid when DL&SR certifies that track inspections were made by a qualified track inspector in a given month and supplies an invoice with a copy of the Track Inspector's report.

C. Additional Track Inspections each week when a passenger train is actually run at the rate of \$ 19.00 per hour for eight hours totaling \$ 152.00 per inspection.

5. M&E agrees to provide up to \$ 11,500.00 for the payment of insurance premiums for the first year of operations by DL&SR. M&E will make the payments upon presentation of the invoice for the insurance purchased by DL&SR for its operation of the line.

6. All parties to this agreement will sign general releases of all other parties to this agreement arising out of the three contracts noted above or any other claims which may be made by the parties against one another at the time of the signing of the releases. In addition the releases shall release all employees, former employees, officers and attorneys for the parties which are related to the contracts noted above and any and all claims which have or could have arisen from them.

7. The parties agree that they will not file any further litigation or make any further claims against any of the parties, their employees, former employees, officers or attorneys regarding the contracts noted in the initial paragraph of this agreement.

8. The parties also agree that any and all current litigation ***including Lackawaxen Honesdale Shippers Association et al v. Morristown & Erie Railway, Inc.*** which is currently pending in the United States District Court for the Middle District of Pennsylvania and bears docket number 3-14 CIV 408 and the Surface Transportation Board Docket No. AB-1110 filed by LHSA, SRC and DL&SR and all claims and counter claims made in these litigated matters be dismissed with prejudice.

CMW
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9. M&E agrees to take whatever legal action is required with the STB or elsewhere to effect the change in operator status of the SRC from M&E to DL&SR. M&E will commence their filing within 30 days of the signing of this agreement by all parties. DL&SR agrees to commence their filing with the STB to obtain the operating rights within 30 days of the signing of this agreement by all parties.

Morristown & Erie Railway, Inc.

Stourbridge Railroad Company

W. W. Pres.

BY Paul M. M...
AS PRESIDENT STOURBRIDGE
RAILROAD COMPANY

Lackawaxen-Honesdale Shipper Assn. Wayne County Chamber of Commerce

[Signature] - Ex Director [Signature] President

Lackawaxen-Honesdale Shippers Association

[Signature] - Ex Director

Delaware Lackawaxen & Stourbridge Railroad Company

[Signature] GENERAL MANAGER

KCS

GENERAL RELEASE

This General Release is entered into this 16th Day of July, 2014 by and among the Morristown & Erie Railway, Inc. (M&E), Lackawaxen-Honesdale Shipper Assn (LHSA), Wayne County Chamber of Commerce (Wayne), Stourbridge Railroad Company (SRC) and Delaware Lackawaxen & Stourbridge Railroad Company(DLS) each a "Party" and collectively "the Parties"

RECITALS

WHEREAS on July 11th 2014 the Parties entered into a Stipulation of Resolution(Stipulation), a copy of which is attached hereto, regarding litigation and contracts entered between and among the parties; and

WHEREAS The Stipulation provided for certain payments and other provisions which will resolve all outstanding litigation and contractual claims among the parties.; and

WHEREAS The Stipulation provided in paragraph 8 that any and all current litigation be dismissed with prejudice; and

WHEREAS The Stipulation provides in paragraph 6 that all Parties will sign a General Release of all other parties including their employees, former employees, officers and attorneys which were involved in the contracts mentioned of the initial paragraph of the Stipulation:

NOW THEREFORE, in consideration of the above Recitals including the Agreement made in the attached Stipulation, the Parties Agree as follows:

1. LHSA and DLS will dismiss with Prejudice the action they have brought against M&E currently pending in the United States District Court for Middle District of Pennsylvania which bears the Docket Number 3-14 CIV 408. LHSA, DLS and SRC will withdraw their claims before the Surface Transportation Board in Docket AB-1110 and hereby agree not to refile them.

W
KCS

2. All the Parties hereby unconditionally release and forever discharge all other parties from any liability against whom they have made a claim or could have made a claim, causes of action, debts, damages, attorney's fees, and/or expenses known or unknown, direct or indirect the Parties had, may have had or currently have arising from the contracts noted in the Stipulation or in any litigation or STB filing which was filed as of the date of the signing of this Release. This General Release shall run not only to the Parties named in this General Release but to all employees, former employees, officers, attorneys, principals, agents, directors or affiliates of all the Parties noted above.

3. The Parties agree that they not file any further litigation or make any further claims against any of the Parties, their employees, former employees, officers, attorneys, principals, agents, directors or affiliates of all the Parties noted above arising from the contracts mentioned in the Stipulation and that said contracts are now considered terminated with no further liability by or benefits to any of the Parties.

Morristown & Erie Railway, Inc.

Wes. Bies

Stourbridge Railroad Company

BY *Paul Brancato*

PAUL BRANCATO, AS PRESIDENT STOURBRIDGE RAILROAD COMPANY

Wayne County Chamber of Commerce

Am. Brincum, President

Lackawaxen-Honesdale Shippers Association

[Signature] - Ex-Director

Delaware Lackawaxen & Stourbridge Railroad Company

[Signature] GENERAL MANAGER

*W
KCS*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 22nd day of October, 2014, I have caused copies of the foregoing to be served via first class mail, postage prepaid, upon counsel for Morristown & Erie Railway, Inc. and Stourbridge Railway Company:

Thomas Shepstone
Lackawaxen – Honesdale Shippers Association
Delaware Lackawaxen and Stourbridge Railroad Co.
100 Fourth Street, Suite 33
Honesdale, PA 18431

Paul Brancato
Stourbridge Railroad Company
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Jamaica, NY 11433

John K. Fiorella, Esq.
Capehart Scatchard
8000 Midlantic Drive, Suite 300 S
Mount Laurel, N.J. 08054



Richard R. Wilson, Esq.