

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.

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SURFACE TRANSPORTATION BOARD  
November 20, 2008

**VIA FEDERAL EXPRESS**

Secretary, Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20024



Re: Transmittal Letter - Documents for Recordation

Dear Secretary:

Enclosed for recordation purposes under 49 U.S.C. §11301(a) are two (2) originals of the Memorandum of Security Agreement dated as of November 19, 2008 (the "Memorandum"). The Memorandum is a **primary** document as defined in the Board's Rules for the Recordation of Documents. The Memorandum is a security agreement between the following parties:

- Debtor: Hilco Financial, LLC. 5 Reverc Drive, Suite 430, Northbrook, IL 60062.
- Secured Party: Bayerische Hypo-Und Vereinsbank, A.G., New York Branch.  
150 East 42nd Street, New York, New York 10017.

A fee of \$41.00 is enclosed. Please return one of the originals and any extra copies not needed by the Board for recordation to:

Otterbourg, Steindler, Houston & Rosen, P.C.  
230 Park Avenue  
New York, New York 10169  
Attention: James M. Cretella

A short summary of the document, and the equipment covered by the document, to appear in the index is as follows:

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.

James M. Cretella, Esq.

November 20, 2008

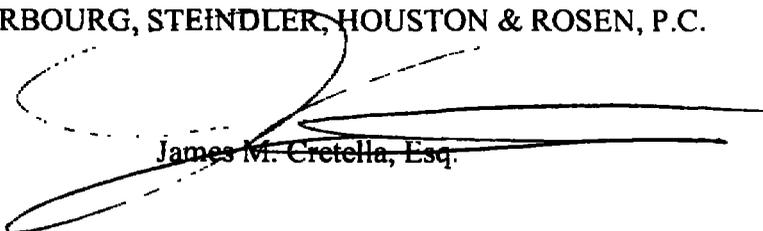
Page 2

Included in the property covered by the aforesaid Security Agreement are railroad locomotives, railcars, equipment and other rolling stock (identified on Exhibit A annexed to the Memorandum) intended for use related to interstate commerce, or interests therein, owned by Hilco Financial, LLC at the date of the Memorandum or thereafter acquired by it or its successors as owners of the water carriers or the lines of railway covered by the Memorandum.

Should you have any questions or comments, please feel free to call me at the number above.

Very truly yours,

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.



James M. Cretella, Esq.

Encl.

cc: Peter Feldman, Esq.

**MEMORANDUM OF SECURITY AGREEMENT**

SURFACE TRANSPORTATION BOARD

This Memorandum of Security Agreement (the "Memorandum") is dated November 19, 2008, by and between Hilco Financial, LLC ("Borrower") and Bayerische Hypo-Und Vereinsbank, A.G., New York Branch, in its capacity as agent (in such capacity ("Secured Party").

The Borrowers and the Secured Party have entered into secured financing arrangements, as set forth in various agreements, documents and instruments, including, without limitation, the Pledge and Security Agreement, dated September 27, 2006 (as amended, modified or supplemented from time to time, the "Security Agreement") pursuant to which Borrower has granted to the Secured Party a security interest in and lien upon all assets and properties of Borrower, whether now owned or hereafter arising or acquired, including, without limitation, the railroad locomotives, railcars, equipment and other rolling stock identified on Exhibit A annexed hereto (the "Railroad Equipment").

The purpose of the Memorandum is to give record notice of the existence of the security interest and lien of the Secured Party in the Railroad Equipment and all other assets or properties now owned or hereafter acquired by Borrower, and all of the terms and conditions of the Security Agreement are incorporated herein by reference.

This Memorandum is prepared for public record and is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. § 11301(a).

IN WITNESS WHEREOF, the undersigned had caused this Memorandum to be executed by a duly authorized officer as of the day and year first written above.

**SECURED PARTY**

**BORROWER**

BAYERISCHE HYPO-UND VEREINSBANK,  
A.G., New York Branch

HILCO FINANCIAL, LLC

By: *Lois Ann Curran*

By: *Victor Russo*

Name: LOIS ANN CURRAN

Name: VICTOR RUSSO

Title: MANAGING DIRECTOR

Title: AUTHORIZED SIGNATORY

By: *Scott Oberk*

Name: SCOTT OBERK

Title: DIRECTOR

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STATE OF: New York )  
 ) ss.:  
COUNTY OF New York )

On this 19<sup>th</sup> day of November, 2008, before me personally appeared Victor Russo, to me personally known, who being duly sworn, did depose and say, that he is the ~~Authorized Signatory~~ of HILCO FINANCIAL, LLC, the limited liability company described in and which executed the foregoing instrument; and that said instrument was signed and sealed on behalf of said company by authority of its members, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Peter Felon  
Notary Public

PETER FELON  
Notary Public, State of New York  
No. 498562  
Qualified in Westchester County  
Certificate Filed in New York County  
Commission Expires 8/26/09

STATE OF: New York )  
 ) ss.:  
COUNTY OF New York )

On this 19<sup>th</sup> day of November, 2008, before me personally appeared LORIANN CURNYN, to me personally known, who being duly sworn, did depose and say, that she is a Managing Director of BAYERISCHE HYPO-UND VEREINSBANK, A.G., NEW YORK BRANCH, the company described in and which executed the foregoing instrument; and that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

  
\_\_\_\_\_  
Notary Public

**PETER FELDMAN**  
Notary Public, State of New York  
No. 4985693  
Qualified in Westchester County  
Certificate Filed in New York County  
Commission Expires 8/25/09

STATE OF: New York )  
 ) ss.:  
COUNTY OF New York )

On this 19<sup>th</sup> day of November, 2008, before me personally appeared SCOTT OBECK, to me personally known, who being duly sworn, did depose and say, that he is a Director of BAYERISCHE HYPO-UND VEREINSBANK, A.G., NEW YORK BRANCH, the company described in and which executed the foregoing instrument; and that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

  
\_\_\_\_\_  
Notary Public

PETER P. P. P. P.  
Notary Public, State of New York  
Nu. 498589E  
Qualified in Westchester County  
Certificate Filed in New York County  
Commission Expires 8/26/09

## EXHIBIT A

<u>REPORTING MARK</u>	<u>ROAD NUMBER</u>	<u>NAME</u>	<u>TYPE OF EQUIPMENT</u>
AOEX	800026	Tallahassee	Crew Sleeper
AOEX	800050	San Francisco	Sleeper
AOEX	800109	Vienna	Sleeper
AOEX	800218	Portland	Sleeper
AOEX	800231	Monte Carlo	Sleeper
AOEX	800246	Monterey	Crew Diner
AOEX	800255	Berlin	Sleeper
AOEX	800258	Washington	Sleeper
AOEX	800297	Istanbul	Sleeper
AOEX	800298	Paris	Sleeper
AOEX	800301	Zurich	Diner
AOEX	800308	Chicago	Diner
AOEX	800310	Seattle	Club Lounge
AOEX	800311	Rocky Mountain	Club Lounge
AOEX	800321	New York	Observation Lounge
AOEX	800643	San Antonio	Service
AOEX	800688	Grand Canyon	Crew Sleeper
AOEX	800715	Los Angeles	Service
AOEX	800740	Denver	Sleeper
AOEX	800741	Savannah	Sleeper
AOEX	800742	New Orleans	Dome Lounge
AOEX	800743	Copper Canyon	Dome Lounge
AOEX	800744	Pacific Star	Crew Sleeper
AOEX	800753	Bar Harbor	Sleeper
AOEX	800754	Charleston	Sleeper
AOEX	800757	Montreal	Sleeper
AOEX	800764	Vancouver	Galley
AOEX	800765	Jasper	Diner
AOEX	800768	Santa Fe	Sleeper
AOEX	802220	Yellowstone Park	Crew Sleeper
UP	7000	Union Pacific Dome	Hulk