

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36662

STEFAN SOLOVIEV, EXECUTOR, THE ESTATE OF
SHELDON H. SOLOW
— CONTINUANCE IN CONTROL EXEMPTION —
COLORADO PACIFIC RIO GRANDE RAILROAD, LLC

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ENTERED
Office of Proceedings
January 17, 2023
Part of
Public Record

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Thomas W. Wilcox
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*Attorney for Stefan Soloviev, Executor, the
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Dated: January 17, 2023

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VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. §1180.2(d)(2), Stefan Soloviev, Executor, Estate of Sheldon H. Solow (“the Estate”), a non-carrier, hereby files this notice of exemption from the requirements of 49 U.S.C. §11323 to continue in control of the Colorado Pacific Rio Grande Railroad, LLC (“CP Rio Grande”) once CP Rio Grande acquires, and becomes a Class III common carrier operating over, the track and incidental trackage rights (hereinafter, the “Lines”) located in Walsenberg, Alamosa, and Derrick, Colorado, that are described in CP Rio Grande’s pending Verified Notice of Exemption filed in Docket No. FD 36656, *Colorado Pacific Rio Grande Railroad, LLC – Acquisition and Operation – San Luis & Rio Grande Railroad, Inc.* As described in the Notice of Exemption in Docket FD 36656, CP Rio Grande is acquiring in bankruptcy substantially all of the tracks and other rail assets of the San Luis & Rio Grande Railroad, Inc. (“SLRG”).

The Lines do not connect with the lines of the one other Class III railroad currently controlled by the Estate, and this control transaction is not part of a series of anticipated transactions that would result in such a connection. Nor does this proposed control transaction involve a Class I carrier. Accordingly, the Estate’s continuance in control of CP Rio Grande qualifies for the class exemption at 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), the Estate submits the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

The Estate is a non-carrier which currently controls fifty percent (50%) of a Class III rail carrier, the Colorado Pacific Railroad, LLC (“CRX”) through the Estate’s control of fifty percent (50%) of KCVN, LLC.¹ The other fifty percent (50%) of CRX is owned and controlled by Mr. Soloviev, who is also the Estate’s executor. CP Rio Grande, a new non-carrier entity established for the purpose of acquiring and operating the SLRG assets as a Class III railroad once its exemption authority is effective, will also initially be controlled by the Estate, which is supplying the funds for CP Rio Grande to acquire the SLRG assets and to operate the railroad pending final resolution of the Estate, which is anticipated to take up to two years.²

The Notice of Exemption in Docket No. FD 36656 was filed on December 20, 2022, and the exemption authority granted by it is due to become effective on January 19, 2023. The closing date for CP Rio Grande to acquire the Lines from SLRG is currently anticipated to be in early February. It is therefore possible that the closing date, unless extended, will occur prior to the effective date of this Notice for Exemption under the Board’s rules. Should this occur, the Estate will enter into a Voting Trust agreement pursuant to 49 C.F.R. §1013 on or before the closing date which terms ensure the Estate does not control CP Rio Grande until the continuance in

¹ As is summarized in pleadings and decisions in prior proceedings before this Board, CXR is the wholly owned subsidiary of KCVN, LLC. *See, e.g.,* Docket No. 36005, *KCVN and Colorado Pacific Railroad, LLC – Feeder Line Application – Line of V and S Railway, LLC Located in Crowley, Pueblo, Otero, and Kiowa Counties, Colorado* (served April 16, 2016). Mr. Solow is deceased, and his 50% interest in KCVN and indirectly, CXR is now part of the Estate.

² It is intended that both CXR and CP Rio Grande will eventually be owned and controlled by the Soloviev Group, a non-carrier corporation headed by Mr. Soloviev which has interests in agriculture, real estate development, energy, logistics, and philanthropy. That transition will be accompanied by the appropriate filings required by the STB’s regulations.

control exemption covered by this Notice of Exemption becomes effective.

The full name and address of the Applicant herein is:

Stefan Soloviev, Executor
Estate of Sheldon H. Solow
9 West 57th Suite 3000
New York, NY 10019

Any questions concerning this Notice should be sent to the Estate's representative at the following address:

Thomas W. Wilcox
Law Office of Thomas W. Wilcox, LLC
1629 K. Street NW, Suite 300
Washington, D.C. 20006
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Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

The Estate intends to consummate the proposed continuance in control transaction thirty (30) days after the filing of this Notice, or the closing date for the sale of the Lines to CP Rio Grande, whichever is later, in keeping with the procedures set forth at 49 C.F.R. § 1180.4(g)(1) and, if applicable, 49 C.F.R. §1013.

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The exemption sought herein will allow the Estate to continue to exercise common control of CXR and CP Rio Grande, and permit CP Rio Grande to take over the operations and maintenance of the SLRG, an active short line railroad, pending final disposition of the Estate. It will also permit CP Rio Grande to begin the process of developing additional traffic on the SLRG following its bankrupt status.

States in Which Property of Applicants is Located: 49 C.F.R. § 1180.6(a)(5)

The Estate does not directly own any rail property. The properties of CXR and CP Rio Grande are located in Colorado.

Maps - Exhibits A and B: 49 C.F.R. § 1180.6(a)(6)

A map of the Lines (including overhead trackage rights) to be acquired by CP Rio Grande is attached as Exhibit A. A map showing the location of CXR's tracks is attached as Exhibit B.

Agreement: 49 C.F.R. § 1180.6(a)(7)(ii)

The Estate already controls a half interest in CXR through its control of fifty percent (50%) of KCVN, LLC. No agreement is contemplated or necessary for the Estate to continue in control of CP Rio Grande once it acquires the SLRG and commences common carrier operations.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

Because this transaction does not involve a Class II carrier and one or more Class III carriers, the labor protection requirements of 49 U.S.C. § 11326 do not apply.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. The Estate's continuance in control of CP Rio Grande will not result in changes in carrier operations that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. The control transaction will not substantially change the level of maintenance of any railroad property.

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

The proposed transaction does not itself involve the acquisition or operation of a rail line. Consequently, the provisions of 49 C.F.R. § 1180.4(g)(4) are not applicable. The Notice filed by CP Rio Grande in Docket No. FD 36656 explains how that transaction involves an interchange commitment, and provides the information required by the Board's regulations.

Respectfully submitted,

A handwritten signature in blue ink that reads "Thomas W. Wilcox".

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*Attorney for Stefan Soloviev, Executor, Estate of
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January 17, 2023

EXHIBIT A

MAP of COLORADO PACIFIC RIO GRANDE RAILROAD, LLC

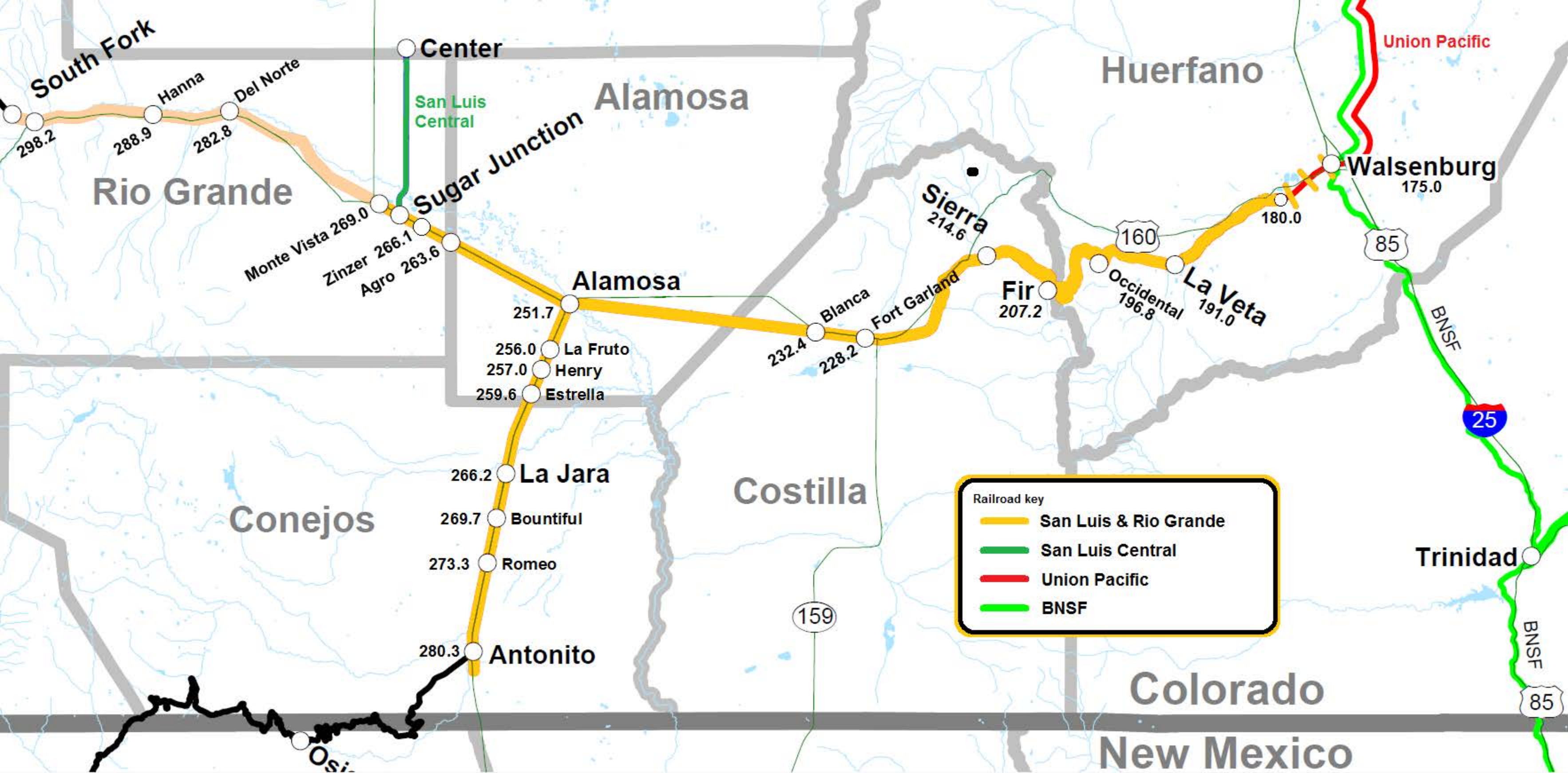
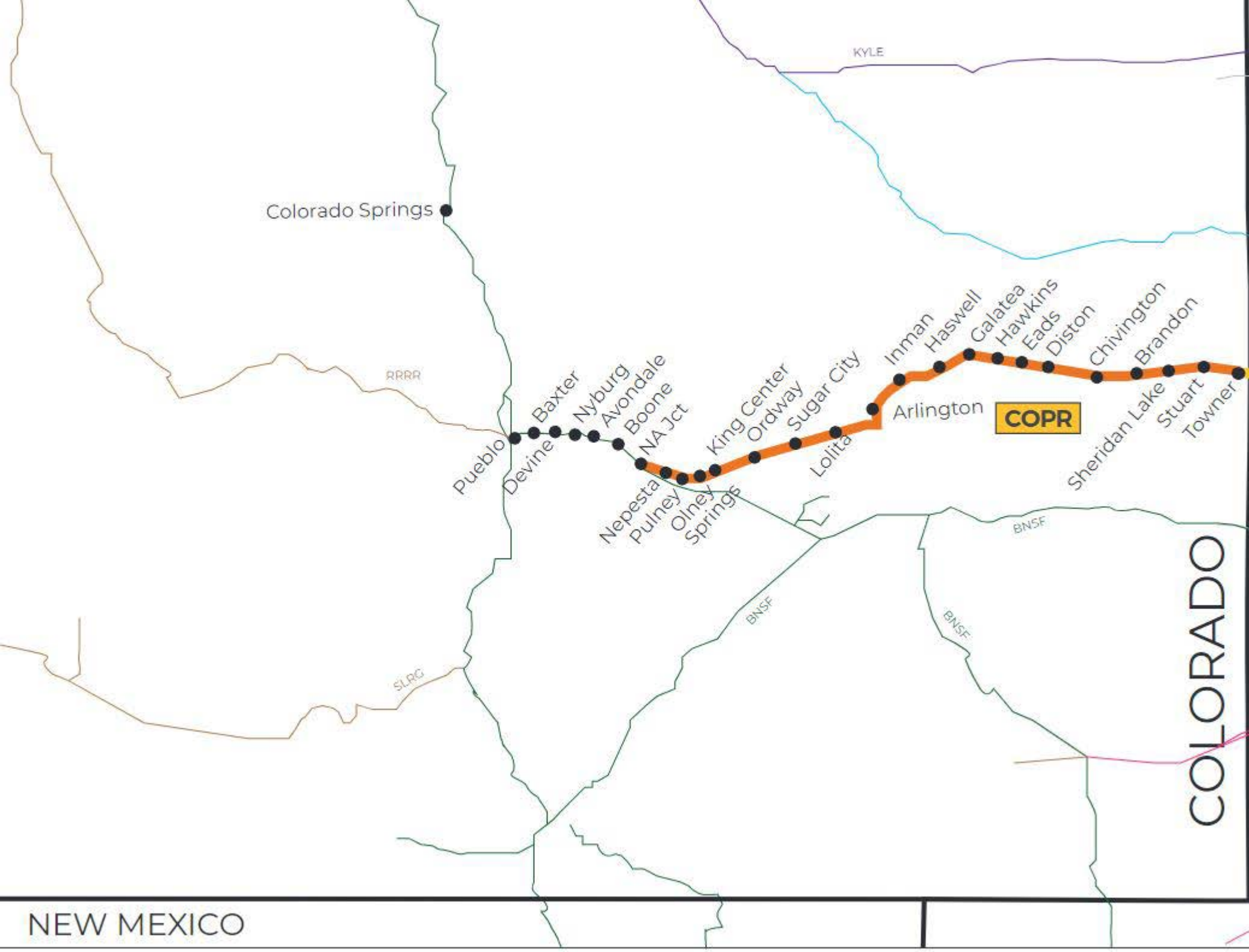


EXHIBIT B

MAP of COLORADO PACIFIC RAILROAD LLC



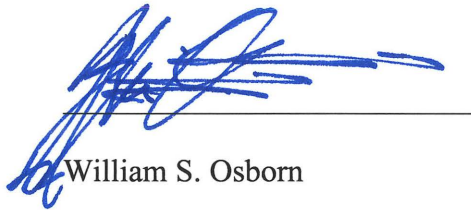
NEW MEXICO

COLORADO

VERIFICATION

I, William S. Osborn, an attorney for Stefan Soloviev, Executor, Estate of Sheldon H. Solow, state, under penalty of perjury, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to execute this Verified Statement.

Executed: January 17, 2023



William S. Osborn