

**BEFORE THE
SURFACE TRANSPORTATION
BOARD**

ENTERED
Office of Chief Counsel
November 26, 2025
Part of
Public Record

Docket No. AB – 1344

**COLORADO PACIFIC RIO GRANDE RAILROAD LLC –
ABANDONMENT EXEMPTION – IN RIO GRANDE COUNTY, COLORADO**

**REPLY TO VERIFIED MOTION TO
SUBSTITUTE CORPORATE AFFILIATE**

Colorado Pacific Rio Grande Railroad LLC (“CXRG”), the applicant in this exempt abandonment proceeding, hereby files this reply to the Verified Motion to Substitute Corporate Affiliate (“Motion”) filed by Hayduk International, LLC (“Hayduk”), the party who submitted a Notice of Intent to Submit an OFA on August 29, 2025. An OFA was instead filed by Mr. Mathew Hayduk¹ on November 17, 2025. The Motion seeks to substitute Mathew Hayduk as the purported purchaser of the line on the grounds that he is the “corporate affiliate” of Hayduk.

Under 49 CFR §1152.27(i), “[p]rior to the consummation of a purchase under this section, an offeror may substitute its corporate affiliate as the purchaser under an agreement, provided the Board has determined either: (i) The original offeror has guaranteed the financial responsibility of its affiliate; or (ii) The affiliate has demonstrated financial responsibility in its own right.” As written, therefore, this regulation requires three conditions to be met before substitution can occur: (1) there must be a “corporate affiliate,” (2) there must be “an agreement,” and (3) there must be an adequate demonstration of financial responsibility. The Motion does not meet any of these

¹ Mathew Hayduk is the son of Michael Hayduk, the sole owner of Hayduk International, Inc.

conditions, and so accordingly must be denied.

1. Mathew Hayduk is not the Corporate Affiliate of Hayduk International, Inc.

By the Motion's unambiguous terms, Mathew Hayduk is not a corporation, let alone a corporate affiliate of Hayduk. Rather, Mathew Hayduk is acting solely in his individual capacity as the son of Michael Hayduk, and will continue to do so unless and until the CXRG line segment that is the subject of its Verified Notice of Exemption is "in fact acquired." Motion at paragraph 17. Paragraph 17 further confirms the lack of any present corporate affiliation by stating Mathew Hayduk intends "to create a Colorado corporation, which will ultimately seek to acquire operating authority for the line segment." Thus, there is no factual allegation, let alone evidence, that Mathew is now a "corporate affiliate" of Hayduk. Moreover, there is no representation that the alleged to-be-created "Colorado corporation" would be a corporate affiliate of Hayduk, if it is ever created.

Hayduk's attempt to argue there is authority for this proposed action (substituting an individual) is misplaced. The single decision the Motion cites, STB Docket No. AB-55 (Sub-No. 659X), *CSX Transportation, Inc. – Abandonment Exemption – in Allegheny County, Maryland*, (served August 18, 2006) ("*Allegheny County*") is easily distinguished from these facts. There, the STB permitted the purchaser of the line to substitute an individual corporate affiliate, but there were two very large differences from Michael and Mathew Hayduk's circumstances. First, the individual in question owned 98% of the original offeror. Second, the individual submitted financial information sufficient to determine he was financially responsible in his own right. *Id.* at 2. Neither of those key facts are present here.

2. There is no Agreement

Section 1152.27(i)(1) also states that a corporate affiliate can be substituted "as the

purchaser under an agreement.” Thus, a condition precedent to substituting a purchaser is that the offeror and purchaser have reached an agreement. That was true in *Allegheny County*, and also true in other decisions issued by the Board on this question. *See, Allegheny County* at 1(original offeror agreed to accept the purchase price); Docket No. AB-565 (Sub-No. 4X) *New York Central Lines, LLC – Abandonment Exemption – in Vermillion and Warren Counties, IN* (served April 28, 2003) at 1-2 (parties reached agreement for offeror to purchase); Docket No. AB-32 (Sub – No. 83), *Boston and Maine Corp. – Abandonment – In Hartford and New Haven Counties, CT, et al*, served September 14, 1998)(Offeror accepted terms and conditions set by the Board prior to seeking substitution of a corporate affiliate).

There is obviously no agreement to purchase in this proceeding, because CXRG filed to withdraw its Verified Notice prior to the OFA being filed, and all deadlines in the proceeding that would otherwise apply were tolled by the Board’s decision served November 21, 2025. Consequently, the second condition for attempting to invoke §1152.27(i)(1) cannot be met and the Motion can be denied on this ground as well.

3. There is Insufficient Evidence of Financial Responsibility

The Motion concedes that Mathew Hayduk cannot demonstrate he is financially responsible in his own right. Nor is there any indication whatsoever that he has any prior experience running a short line railroad or even being in the railroad industry. These facts should be very troubling to the Board since the Motion represents that Mathew Hayduk will be the individual who will manage and control the CXRG line segment at issue. It should also confirm that CXRG’s retention of the track as a common carrier line subject to the Board’s jurisdiction is considerably more in the public interest.

The Motion attempts to address lack of financial resources of Mathew Hayduk by stating that Hayduk International, LLC “guarantees the financial responsibility” of Mathew Hayduk, albeit in his individual capacity since there is no present corporate relationship. Motion at paragraph 21. However, the verified statement of Michael Hayduk attached to the Motion only refers vaguely to “Hayduk International, LLC and Michael J. Hayduk, individually, as Managing Member and as the Grantor of the Michael J. Hayduk Irrevocable Trust” providing such guarantees. Zero information is provided about the nature of the trust, the assets in the trust, or other details of the extent of the resources that would actually be available to Mathew Hayduk to cover all the liabilities incurred while purportedly running a freight railroad for the first time.

Moreover, since there is no agreement on price or other terms, there is insufficient evidence to determine if the offered “guarantee” is sufficient. The Motion’s overall attempt to demonstrate financial responsibility falls far short of the examples of documentation provided in §1152.27(c)(1)(iv)(B), which states “[e]xamples of documentation the Board will accept as evidence of financial responsibility include income statements, balance sheets, letters of credit, profit and loss statements, account statements, financing commitments, and evidence of adequate insurance or ability to obtain adequate insurance.”

CXRG states additionally that there is another, more recent reason for the Board to doubt Hayduk International Inc.’s level of financial responsibility and ability to “guarantee” all of the liabilities of Mathew Hayduk. CXRG notes that on November 19, 2025, the Rio Grande County Commission that authored the October 1, 2025 letter included with the OFA as Exhibit R met and voted unanimously to rescind that letter. *See* County Commission Regular Meeting Agenda, for November 19, 2025, attached as Exhibit A. A link to a video of the County Commissioner’s meeting is provided below in the footnote, and the discussion can be seen and heard between

36:30 to 54:00 of the video.² Significantly, the video reveals at 40:00 that the Commission recommended “two weeks ago” to rescind the letter (approximately November 5, 2025), a fact not disclosed by either Michael Hayduk in the Motion or Mathew Hayduk when the OFA was filed on November 17, 2025. The reasons for the County’s rescission expressed in the meeting include (but are by no means limited to) a lack of confidence in the Hayduks and the lack of their concrete plans for the railroad should they acquire it. Given the continued lack of any details of why the OFA was submitted and the financial resources available to acquire and operate the line, the Board should be extremely circumspect of the representations of financial responsibility contained in the Motion and the OFA.

4. Conclusion

The Motion fails in all respects to meet any of the conditions of §1152.27(i)(1). Mathew Hayduk is not the “corporate affiliate” of Hayduk International, Inc. There is no agreement for which he can be substituted as the purchaser, and nor will there be given that CXRG has withdrawn its Verified Notice. And the Motion does not demonstrate that Mathew Hayduk is financially responsible, since there is no concrete evidence of how Hayduk International, Inc. would guarantee all of his costs and liabilities. The lack of any concrete evidence consistent with the Board’s regulations is confirmed by Rio Grande County’s rescission of its October 1, 2025 letter for these reasons, and more.

² [2025 - Google Drive](#); The meeting is also accessible by (1) visiting the County’s website at <https://riograndecounty.colorado.gov/> ; then (2) clicking on “Elected Officials”; then (3) clicking on “Commissioners”; then (4) clicking on “Commissioner Meeting Recordings” and picking 2025 then (5) scrolling down to the 2025-11-19 meeting video. The letter rescission discussion and vote appear at 36:30 to 54:00 of the video.

The Motion should be denied, and the denial should be accompanied by the Board granting CXRG's request to withdraw its Verified Notice, and the dismissal of the OFA as moot or rejected as materially deficient, for the reasons set out in CXRG's reply to the OFA.

Respectfully submitted,

/ss/ Thomas W. Wilcox
Thomas W. Wilcox
LAW OFFICE OF THOMAS W. WILCOX, LLC
1629 K. Street NW, Suite 300
Washington, D.C. 20006
(202) 508-1065
tom@twilcoxlaw.com

*Attorney for Colorado Pacific Rio Grande
Railroad, LLC*

November 26, 2025

EXHIBIT A

Board of Rio Grande County Commissioners

Regular Meeting Agenda

Wednesday, November 19, 2025 **10:00 AM**

Location:

Rio Grande County Courthouse
Commissioners Chambers
925 6th Street, Room 207
Del Norte, CO 81132

This meeting is being held by zoom and/or phone or in person. Public and visitors may join virtually or call in using the following information:

[Join Zoom Meeting](#)

Meeting ID: 890 5838 6153

Call In +17193594580

Call To Order

Prayer and Pledge of Allegiance

Employee Recognition - Public Health, 5 year

Roll Call

Commissioner Deacon

Commissioner Glover

Commissioner Ratzlaff

Agenda Approval

Public Comment

The public comment agenda item is a time when the citizenry may bring forth items of interest or concern. During this time, you have three (3) minutes to present a view on county matters. No formal action will be taken on these items

during this time due to the Open Meeting Law provision; however, they may be placed on a future posted agenda if action is required.

Consent Agenda

A. Approval of Accounts Payable

B. Approval of Voided Check

C. Rescind Letter of Support - Continued Rail Freight Operations

County Official and Department Head Reports

A. Human Resources - Denise Benavides

B. Land Use - Dixie Diltz

C. Sheriff - Anne Robinson

General Business

A. Consider Appointing Ellen Lane to the SLV RETAC Board – Skip Schoen,
County Administrator

B. DSS Personnel Request –Greg Parra, DSS Director

Commissioners, Attorney, & Administrator Updates

- Key Leader Status
- Upcoming Events & Actions
- Updates on priority tasks & projects

Adjourn From Regular Meeting

Disclaimer: The times noted on this agenda are provided as a courtesy and are merely intended as an estimate of when matters may be heard. With the exception of public hearings, the exact timing of any particular agenda item depends on many factors which may be beyond the control of the board of county commissioners and the times provided herein should not be relied upon. The agenda of any regular or special meeting of the Board of County Commissioners is subject to approval or amendment, and adoption by a vote of the majority of the board at the outset of each meeting.

CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of November, 2025, a copy of the foregoing Reply to Verified Motion to Substitute Corporate Affiliate was served on all parties of record on the official service list for Docket AB-1344.

/ss/ Thomas W. Wilcox

Thomas W. Wilcox