OCC

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36948]

Henry Posner, III—Control Exemption—Morristown & Erie Railway, Inc.

Henry Posner, III (Posner), a noncarrier, has filed a verified notice of exemption under 49 CFR 1180.2(d)(2) for authority to acquire 27.75% of the stock in Morristown & Erie Railway, Inc. (M&E), a Class III rail carrier operating in New Jersey.[1] Posner indirectly controls Iowa Interstate Railroad, LLC (Iowa Interstate), a Class II rail carrier,[2] through his control of RDC Domestic Holdings, (RDC), a noncarrier holding company. According to the verified notice, Iowa Interstate operates in Iowa and Illinois.

According to the verified notice, as supplemented,[3] Posner has entered into a Stock Purchase Agreement and a Shareholders' Agreement whereby a new investor group, which includes Posner, will purchase 50% of the stock in M&E. Following the transaction, M&E's incumbent ownership group will retain the remaining 50% of the stock.

[1] Posner concurrently filed with the verified notice of exemption a motion to dismiss the notice of exemption. The motion to dismiss and the motion for protective order will be addressed in separate decisions.

[2] See Iowa Interstate Reply 2, March 1, 2024, Canadian Nat'l Ry.—Control—Iowa N. Ry., FD 36744.

[3] On August 20, 2026, Posner filed a supplement to the verified notice, a motion for protective order, and a highly confidential version of a Stock Purchase Agreement submitted under seal. Accordingly, the date of the supplement, August 20, 2026, is deemed the filing date of the verified notice.

Posner has certified that: (1) M&E does not connect with Iowa Interstate; (2) the proposed transaction is not part of a series of anticipated transactions that would connect M&E and Iowa Interstate; and (3) the transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. 11323 pursuant to 49 CFR 1180.2(d)(2).

The earliest this transaction may be consummated is September 19, 2026, the effective date of the exemption (30 days after the verified notice is deemed to have been filed).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Because the transaction involves the control of one Class II and one or more Class III rail carriers, the transaction is subject to the labor protection requirements of 49 U.S.C. 11326(b) and Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad, 2 S.T.B. 218 (1997).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than September 12, 2026 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36948, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Posner's representative, Justin J. Marks, Clark Hill PLC, 601 13th Street, N.W., Suite 600, Washington, DC 20005.

According to Posner, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: September 1, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.