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THOMAS F. McFARLAND

September 17, 2018

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ENTERED
Office of Proceedings
September 17, 2018
Part of
Public Record

By e-filing

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Re: Finance Docket No. 36218, *CGX, Inc. -- Continuance in Control Exemption -- San Pedro Valley Holdings, LLC in Cochise County, AZ*

Finance Docket No. 36219, *Ironhorse Resources, Inc. -- Continuance in Control Exemption -- San Pedro Valley Railroad, LLC in Cochise County, AZ*

Dear Ms. Brown:

Hereby forwarded for filing in the above Finance Dockets is a Supplement to Verified Notices of Exemption under 49 C.F.R. § 1180.2(d)(2).

The filing fees were paid at the initial filing of Verified Notices.

Very truly yours,



Thomas F. McFarland
Attorney for Applicants

TMcf:mg:enc:1817\efSTB2

BEFORE THE
SURFACE TRANSPORTATION BOARD

THE GREGORY B. CUNDIFF TRUST,	)	
THE CONNIE CUNDIFF TRUST, CGX,	)	FINANCE DOCKET
INC., AND IRONHORSE RESOURCES,	)	NO. 36218
INC. -- CONTINUANCE IN CONTROL	)	
EXEMPTION -- SAN PEDRO VALLEY	)	
HOLDINGS, LLC IN COCHISE	)	
COUNTY, AZ	)	
	)	
THE GREGORY B. CUNDIFF TRUST,	)	
THE CONNIE CUNDIFF TRUST, CGX,	)	FINANCE DOCKET
INC., AND IRONHORSE RESOURCES,	)	NO. 36219
INC. -- CONTINUANCE IN CONTROL	)	
EXEMPTION -- SAN PEDRO VALLEY	)	
RAILROAD, LLC IN COCHISE	)	
COUNTY, AZ	)	

**SUPPLEMENT TO VERIFIED NOTICES OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)**

THE GREGORY B. CUNDIFF TRUST
42 Long Branch Lane
Caseyville, IL 62232

THE CONNIE CUNDIFF TRUST
42 Long Branch Lane
Caseyville, IL 62232

CGX, INC.
1575 North Green Mount Road, Suite 300
P.O. Box 99
O'Fallon, IL 62269

IRONHORSE RESOURCES, INC.
1575 North Green Mount Road, Suite 300
P.O. Box 99
O'Fallon, IL 62269

Applicants

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1666
Chicago, IL 60604-1112
(312) 236-0204 (office)
mcfarland@aol.com

Date Filed: September 17, 2018

Attorney for Applicants

BEFORE THE
SURFACE TRANSPORTATION BOARD

THE GREGORY B. CUNDIFF TRUST,	)	
THE CONNIE CUNDIFF TRUST, CGX,	)	FINANCE DOCKET
INC., AND IRONHORSE RESOURCES,	)	NO. 36218
INC. -- CONTINUANCE IN CONTROL	)	
EXEMPTION -- SAN PEDRO VALLEY	)	
HOLDINGS, LLC IN COCHISE	)	
COUNTY, AZ	)	
	)	
THE GREGORY B. CUNDIFF TRUST,	)	
THE CONNIE CUNDIFF TRUST, CGX,	)	FINANCE DOCKET
INC., AND IRONHORSE RESOURCES,	)	NO. 36219
INC. -- CONTINUANCE IN CONTROL	)	
EXEMPTION -- SAN PEDRO VALLEY	)	
RAILROAD, LLC IN COCHISE	)	
COUNTY, AZ	)	

**SUPPLEMENT TO VERIFIED NOTICES OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)**

This Supplement is designed to clarify the current and proposed common control of rail carriers and the absence of need for labor protection in the prior filings in these dockets.

On August 30, 2018, in Finance Docket Nos. 36218 and 36219, respectively, CGX, INC. (CGX) filed a Notice of Exemption under 49 C.F.R. § 1180.2(d)(2) for its continuance in control of San Pedro Valley Holdings, LLC (SPVH) when SPVH becomes a rail carrier as a result of its acquisition of rail lines in Finance Docket No. 36216, *San Pedro Valley Holdings, LLC -- Acquisition Exemption -- San Pedro and Southwestern Railroad Company in Cochise County, AZ*, and IRONHORSE RESOURCES, INC. (Ironhorse) filed a Notice of Exemption under 49 C.F.R. § 1180.2(d)(2) for its continuance in control of San Pedro Valley Railroad, LLC (SPVR) when SPVR becomes a rail carrier as a result of its operation of rail lines in Finance Docket No.

36217, *San Pedro Valley Railroad, LLC -- Operation Exemption -- San Pedro Valley Holdings, LLC in Cochise County, AZ.*

The rail lines involved in the acquisition and operation are (1) from point of connection to Union Pacific Railroad Company (UP) at Milepost 1033.25 at or near Benson, AZ to the end of track at Milepost 1040.15 at or near St. David, AZ, a distance of 6.9 miles in Cochise County, AZ; and (2) from point of connection to UP at Milepost 1074 at or near Willcox, AZ to all tracks at Willcox Yard, a distance of 8,281 feet, or 1.57 miles, in Cochise County, AZ (the Rail Lines).

INFORMATION REQUIRED BY 49 C.F.R. § 1180.6(a)(1)

(1) A description of the proposed transaction, including appropriate references to any supporting exhibits and statements contained in the application and discussing the following:

(i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

The proposed transactions are continuance in control of SPVH and SPVR when they become rail carriers as a result of acquiring rail lines. It was indicated in the prior filing that only CGX and Ironhorse were the controlling entities. We clarify that the Gregory B. Cundiff Trust and the Connie Cundiff Trust are also controlling entities.

CGX is a noncarrier holding company. CGX owns Ironhorse, which is also a noncarrier holding company. CGX is owned in equal parts by the Gregory B. Cundiff Trust and the Connie Cundiff Trust, both of which are noncarrier individual trusts.

CGX and Ironhorse own and control the following Class III rail carriers who operate in the States shown:

<u>Carrier</u>	<u>Owner</u>	<u>Operates In</u>
Crystal City Railroad, Inc.	CGX	Texas
Lone Star Railroad, Inc.	CGX	Texas
Rio Valley Railroad, Inc.	CGX	Texas
Mississippi Tennessee Holdings, LLC	CGX	Tennessee
Texas Railroad Switching, Inc.	Ironhorse	Texas
Rio Valley Switching Company	Ironhorse	Texas
Mississippi Tennessee Railroad, LLC	Ironhorse	Tennessee
Southern Switching Company, Inc.	Ironhorse	Texas
Gardendale Railroad, Inc.	Ironhorse	Texas
Caney Fork & Western Railroad, LLC	Ironhorse	Tennessee
Santa Teresa Southern Railroad, LLC	Ironhorse	New Mexico

The continuances in control qualify for the class exemption from 49 U.S.C. § 11323 in 49 C.F.R. § 1180.2(d)(2) because, as shown by the attached Verification, (1) the properties to be owned by SPVH and operated by SPVR and the properties operated by the rail carriers listed above do not connect with each other; (2) the proposed continuances in control are not a part of a series of anticipated transactions that would connect the carriers with each other or any railroad in their corporate families; and (3) the transactions do not involve a Class I rail carrier.

Applicants are The Gregory B. Cundiff Trust, 42 Long Branch Lane, Caseyville, IL 62232, The Connie Cundiff Trust, 42 Long Branch Lane, Caseyville, IL 62232, CGX, Inc., 1575 North Green Mount Road, Suite 300, P.O. Box 99, O'Fallon, IL 62269, and Ironhorse Resources, Inc., 1575 North Green Mount Road, Suite 300, P.O. Box 99, O'Fallon, IL 62269.

Applicants' counsel to whom questions may be addressed regarding the proposed transactions is Thomas F. McFarland, Thomas F. McFarland, P.C. 208 South LaSalle Street, Suite 1666, Chicago, IL 60604-1228, ph (312) 236-0204, mcfarland@aol.com.

(ii) The proposed time schedule for consummation of the proposed transaction.

The proposed transactions are scheduled to be consummated no sooner than 30 days after the filing of this notice of exemption.

(iii) The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

The purpose sought to be accomplished by the proposed transactions is achievement of operating efficiency and economy.

(5) A list of the State(s) in which any part of the property of each applicant carrier is situated.

The required information is shown in the listing of rail carriers, *supra*.

(6) Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

Attached to this Notice as Appendix 1 is a print showing the Rail Lines proposed to be acquired by SPVH and operated by SPVR.

(7)(ii) Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at Sec. 1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.

No written contract bears on the proposed transactions.

(g)(1)(i) Indicate the level of labor protection to be imposed.

Inasmuch as only Class III rail carriers are involved, no labor protective conditions are to be imposed. *See* 49 U.S.C. § 11326(c).

VERIFICATION

Attached to this Notice as Appendix 2 is a Verification of the facts that qualify the transactions for the class exemption from 49 U.S.C. § 11323, and the other facts asserted herein.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

Pursuant to 49 C.F.R. § 1105.6(c)(2), no environmental documentation or report is required for the proposed transactions. Pursuant to 49 C.F.R. § 1105.8(b)(2), no historic documentation or report is required for the proposed transactions.

CAPTION SUMMARY

Attached to this Notice as Appendix 3 is the required caption summary.

CONCLUSION

WHEREFORE, the Board should publish this Supplement to Notice of Exemption in the *Federal Register* within 16 days of its filing.

Respectfully submitted,

THE GREGORY B. CUNDIFF TRUST
42 Long Branch Lane
Caseyville, IL 62232

THE CONNIE CUNDIFF TRUST
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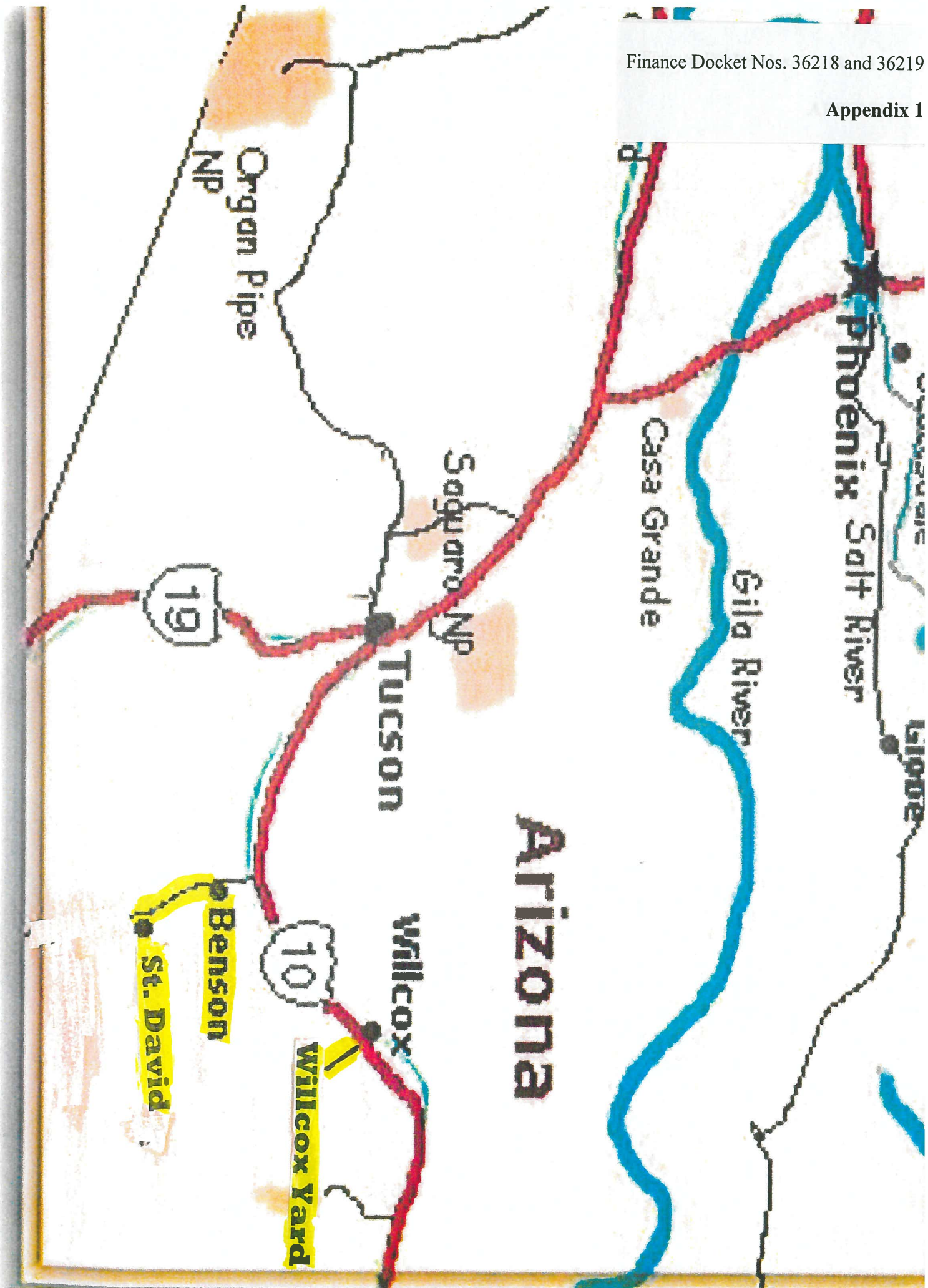
Applicants



THOMAS F. McFARLAND
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208 South LaSalle Street, Suite 1666
Chicago, IL 60604-1112
(312) 236-0204 (office)
mcfarland@aol.com

Attorney for Applicants

Date Filed: September 17, 2018



VERIFICATION

THOMAS F. McFARLAND, being duly sworn, states that: (1) the properties to be acquired by San Pedro Valley Holdings, LLC and to be operated by San Pedro Valley Railroad, LLC, and the properties of the rail carriers controlled by the Gregory B. Cundiff Trust, The Connie Cundiff Trust, CGX, Inc., and Ironhorse Resources, Inc. do not connect with each other; (2) the proposed continuances in control are not part of a series of anticipated transactions that would connect those carriers with each other or any railroad in their corporate families; and (3) the transactions do not involve a Class I rail carrier; and

All facts asserted in the Notices of Exemption in Finance Docket Nos. 36218 and 32619 are true and correct.

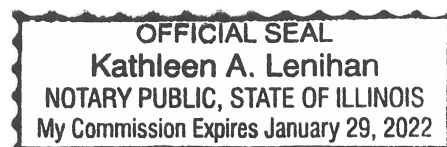
Thomas F. McFarland

THOMAS F. McFARLAND

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

SUBSCRIBED and SWORN to before me
this 14th day of September, 2018.

Kathleen Lenihan
Notary Public



My Commission expires: 1/29/22

CAPTION SUMMARY

**SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION**

(Finance Docket Nos. 36218 and 36219)

**THE GREGORY B. CUNDIFF TRUST, THE CONNIE CUNDIFF TRUST,
CGX, INC., AND IRONHORSE RESOURCES, INC. -- CONTINUANCE IN CONTROL
EXEMPTION -- SAN PEDRO VALLEY HOLDINGS, LLC IN COCHISE COUNTY, AZ**

**THE GREGORY B. CUNDIFF TRUST, THE CONNIE CUNDIFF TRUST,
CGX, INC., AND IRONHORSE RESOURCES, INC. -- CONTINUANCE IN CONTROL
EXEMPTION -- SAN PEDRO VALLEY RAILROAD, LLC IN COCHISE COUNTY, AZ**

In Finance Docket No. 36218, The Gregory B. Cundiff Trust, The Connie Cundiff Trust, CGX, Inc. (CGX), and Ironhorse Resources, Inc. (Ironhorse) have filed a Verified Notice of Exemption from 49 U.S.C. § 11323 under 49 C.F.R. § 1180.2(d)(2) for their continuance in control of San Pedro Valley Holdings, LLC (SPVH) when SPVH becomes a rail carrier as a result of its acquisition from San Pedro and Southwestern Railroad Company of rail lines, i.e. (1) from point of connection to Union Pacific Railroad Company (UP) at Milepost 1033.25 at or near Benson, AZ to the end of track at Milepost 1040.15 at or near St. David, AZ, a distance of 6.9 miles in Cochise County, AZ; and (2) from point of connection to UP at Milepost 1074 at or near Willcox, AZ to all tracks at Willcox Yard, a distance of 8,281 feet, or 1.57 miles, in Cochise County, AZ (the Rail Lines). See Finance Docket No. 36216, *San Pedro Valley Holdings, LLC - Acquisition Exemption -- San Pedro and Southwestern Railroad Company in Cochise County, AZ*, filed concurrently herewith.

In Finance Docket No. 36219, The Gregory B. Cundiff Trust, The Connie Cundiff Trust, CGX, and Ironhorse have filed a Verified Notice of Exemption from 49 U.S.C. § 11323 under 49 C.F.R. § 1180.2(d)(2) for their continuance in control of San Pedro Valley Railroad, LLC (SPVR) when SPVR becomes a rail carrier as a result of its operation of the Rail Lines under an agreement with SPVH.

CGX is a noncarrier holding company. CGX controls Ironhorse, which is also a noncarrier holding company. CGX is controlled jointly by the Gregory B. Cundiff Trust and the Connie Cundiff Trust, both of which are noncarrier individual trusts. CGX and Ironhorse control the following Class III rail carriers who operate in the States shown:

<u>Carrier</u>	<u>Owner</u>	<u>Operates In</u>
Crystal City Railroad, Inc.	CGX	Texas
Lone Star Railroad, Inc.	CGX	Texas
Rio Valley Railroad, Inc.	CGX	Texas
Mississippi Tennessee Holdings, LLC	CGX	Tennessee
Texas Railroad Switching, Inc.	Ironhorse	Texas
Rio Valley Switching Company	Ironhorse	Texas
Mississippi Tennessee Railroad, LLC	Ironhorse	Tennessee
Southern Switching Company, Inc.	Ironhorse	Texas
Gardendale Railroad, Inc.	Ironhorse	Texas
Caney Fork & Western Railroad, LLC	Ironhorse	Tennessee
Santa Teresa Southern Railroad, LLC	Ironhorse	New Mexico

The proposed continuance in control is exempt from the prior approval requirements of 49 U.S.C. § 11323 because the Gregory B. Cundiff Trust, the Connie Cundiff Trust, CGX, and Ironhorse have verified that (1) the properties to be acquired by SPVH and operated by SPVR and the properties of the rail carriers listed above do not connect with each other; (2) the continuance in control is not a part of a series of anticipated transactions that would connect those carriers to each other or to any railroad in their corporate families; and (3) the transactions do not involve a Class I carrier.

Petitions to revoke the exemptions under 49 U.S.C. § 10502(d) can be filed at any time. The filing of a petition to revoke will not automatically stay the proposed transactions. If the Notices of Exemption contain false or misleading information, the exemptions are void *ab initio*. Any petitions to revoke filed with the Board must be served on Applicants' representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1666, Chicago, IL 60604-1228, ph (312) 236-0204, mcfarland@aol.com.

(SEAL)

By the Board