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ENTERED
Office of Proceedings
June 13, 2019
Part of
Public Record

William A. Mullins

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E-Mail: wmullins@bakerandmiller.com

June 13, 2019

VIA E-FILING

Cynthia T. Brown, Chief
Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Re: DMH Trust fbo Martha M. Head, Red River Valley & Western
Railroad Company, Twin Cities & Western Railroad Company,
and HSC & Western, LLC – Corporate Family Exemption,
FD 36316

Dear Ms. Brown:

Enclosed for filing is a Verified Notice of Exemption (“Notice”) under 49 C.F.R. §1180.2(d)(3) for a Corporate Family transaction involving DMH Trust fbo Martha M. Head, Red River Valley & Western Railroad Company, Twin Cities & Western Railroad Company, and HSC & Western, LLC. Pursuant to 49 C.F.R. § 1002.2(f)(39)(iv), the filing fee of \$1,500 has been paid. If there are any questions about this matter, please contact me directly, either by telephone: (202) 663-7823 or by e-mail: wmullins@bakerandmiller.com. If I am unavailable, you may contact my associate, Crystal M. Zorbaugh, who can be reached at (202) 663-7831 or by e-mail at zorbaugh@bakerandmiller.com.

Sincerely,



William A. Mullins

cc: Nancy Jensen Beck

FEE RECEIVED
June 13, 2019
SURFACE
TRANSPORTATION BOARD

FILED
June 13, 2019
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36316

**DMH TRUST FBO MARTHA M. HEAD, RED RIVER VALLEY & WESTERN
RAILROAD COMPANY, TWIN CITIES & WESTERN RAILROAD COMPANY, AND
HSC & WESTERN, LLC
– CORPORATE FAMILY EXEMPTION –**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

**William A. Mullins
Crystal M. Zorbaugh
BAKER & MILLER PLLC
2401 Pennsylvania Ave., NW
Suite 300
Washington, DC 20037
Tel: (202) 663-7820
Fax: (202) 663-7849**

**Attorneys for DMH Trust fbo Martha M.
Head, Red River Valley & Western
Railroad Company, Twin Cities & Western
Railroad Company, and HSC & Western,
LLC**

June 13, 2019

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36316

**DMH TRUST FBO MARTHA M. HEAD, RED RIVER VALLEY & WESTERN
RAILROAD COMPANY, TWIN CITIES & WESTERN RAILROAD COMPANY, AND
HSC & WESTERN, LLC
– CORPORATE FAMILY EXEMPTION –**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

DMH Trust fbo Martha M. Head (“TRUST”),¹ a non-carrier, Red River Valley & Western Railroad Company (“RRVW”), a Class III carrier, Twin Cities & Western Railroad Company (“TCW”), a Class III carrier, and HSC & Western, LLC, a non-carrier² (“HSC”) (collectively, the “Parties”) hereby submit this verified notice of exemption (“Notice”), pursuant to 49 C.F.R. §1180.2(d)(3), for an exemption from the prior approval and authorization requirements of the Surface Transportation Board (“STB” or “Board”) of a transaction within a corporate family.

¹ DMH Trust fbo Martha M. Head controls 100% of Twin Cities & Western Railroad Company and Red River Valley & Western Railroad Company. See DMH Trust fbo Martha M. Head – Acquisition of Control Exemption – Red River Valley & Western Railroad and Rutland Line, Inc., FD 35649 (STB served Aug. 8, 2012); see also DMH Trust fbo Martha M. Head – Acquisition of Control Exemption – Twin Cities & Western Railroad Company, Minnesota Prairie Lines, Inc. and Sisseton Milbank Railroad Company, FD 35662 (STB served Aug. 24, 2012).

² HSC is a non-carrier domestic limited liability company in Minnesota established to become a non-operating railroad holding company upon the Board’s approval of this corporate family exemption.

In support of this Notice and in compliance with 49 C.F.R. §1180.4(g), the Parties state the following:

49 C.F.R. §1180.6(a)(1)(i) –Brief Summary of Proposed Transaction, Description of Applicants, Address for Applicants, and Counsel for Applicants:

Description of Applicants & Brief Summary of Proposed Transaction

The TRUST currently owns and controls 100% of RRVW³ and TCW⁴. RRVW and its subsidiary conduct rail operations in North Dakota and Minnesota. TCW and its subsidiaries conduct rail operations in Minnesota and South Dakota. HSC is a newly created wholly-owned non-carrier subsidiary of the TRUST. The TRUST created HSC to serve as a non-operating railroad holding company upon exemption of the transaction subject to this Notice. Upon consummation of the proposed transaction, the TRUST will control 100% of HSC, which will in turn control 100% of RRVW and TCW. The proposed transaction qualifies for an exemption under 49 C.F.R. §1180.2(d)(3) because the proposed transaction is within a corporate family and will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. Operational changes, if any, would be de minimis.

³ Rutland Line, Inc. is a wholly-owned subsidiary of RRVW. See Red River Valley & Western Railroad Company and Rutland Line, Inc.—Corporate Family Transaction Exemption, FD 35254 (STB served July 2, 2009).

⁴ Minnesota Prairie Line, Inc. (MPL), and Sisseton Milbank Railroad Company (SMRC) are wholly owned Class III rail carriers subsidiaries of TCW. See Twin Cities & Western Railway Company, Douglas M. Head, Charles H. Clay, Kent P. Shoemaker and William F. Drusch – Continuance in Control Exemption – Minnesota Prairie Line, Inc., FD 34068 (STB served June 6, 2002); Minnesota Prairie Line, Inc. – Modified Rail Certificate, FD 34234 (STB served October 23, 2002); see Twin Cities & Western Railroad Company, the Estate of Douglas M. Head, and the DMH Trust FBO Martha M. Head – Continuance in Control Exemption – Sisseton Milbank Railroad Company, FD 35642 (STB served July 18, 2012); see Sisseton Milbank Railroad Company – Acquisition and Operation Exemption—SLA Property Management Limited Partnership and Sisseton Milbank Railroad, Inc., FD 35641 (STB served June 29, 2012).

Names, Addresses, and Phone Numbers of Involved Parties.

DMH Trust fbo Martha M. Head 11100 Wayzata Blvd. Suite 230 Minnetonka, MN 55305 Phone: (952) 681- 2891	Red River Valley & Western Railroad Company PO Box 608 Wahpeton, ND 58074 Phone: (701) 642-8257	Twin Cities & Western Railroad Company 2925 12th St E Glencoe, MN 55336 Phone: (320)864-7232	HSC & Western, LLC 11100 Wayzata Blvd. Suite 230 Minnetonka, MN 55305 Phone: (952) 681-2891
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Name of Counsel to Whom Questions Can Be Addressed.

William A. Mullins
Crystal M. Zorbaugh
BAKER & MILLER PLLC
2401 Pennsylvania Ave., NW, Suite 300
Washington, DC 20037
Tel: (202) 663-7820
Fax: (202) 663-7849

49 C.F.R. §1180.6(a)(1)(ii) --Consummation Schedule.

The Parties propose to consummate the proposed transaction 30 days after filing the Notice, or upon the effective date of this exemption, if later.

49 C.F.R. §1180.6(a)(1)(iii) -- Purpose of the Transaction.

The purpose sought to be accomplished through this corporate family transaction is to improve administrative efficiencies and for other business and estate planning purposes.

49 C.F.R. §1180.6(a)(5) -- List of States in Which the Parties' Property is Located.

RRVW and its subsidiary conduct rail operations in North Dakota and Minnesota.

TCW and its subsidiaries conduct rail operations in Minnesota and South Dakota.

49 C.F.R. §1180.6(a)(6) -- Maps.

Maps of RRVW and TCW operations are attached. See Exhibit A.

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

The TRUST and HSC have not entered into any agreements or written instruments to undertake the proposed corporate family transaction.

49 C.F.R. §1180.4(g)(1)(i) -- Level of Labor Protection.

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. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III rail carriers.

49 C.F.R. §1105.6 through 1105.8--Environmental Report.

The proceeding is exempt from environmental review under 49 CFR §1105.6(c)(1)(ii) because the proposed action involves changes within in the corporate family and will not cause any significant changes to RRVW or TCW's operations.

In addition, this proceeding is exempt from historic review under 49 CFR §1105.8(b)(2) because the transaction involves the sale, lease, or transfer of property between corporate affiliates with no significant changes in operations.

Interchange Commitments.

Pursuant to 49 CFR § 1180.4(g)(4), the Parties certify that there are no interchange commitments involved in this transaction.

Caption Summary.

While not required by the regulations, attached to this Notice as Exhibit B is a proposed caption summary.

Respectfully submitted,



William A. Mullins
Crystal M. Zorbaugh
BAKER & MILLER PLLC
2401 Pennsylvania Ave., NW
Suite 300
Washington, DC 20037
Tel: (202) 663-7820
Fax: (202) 663-7849

June 13, 2019

Attorneys for DMH Trust fbo Martha M. Head, Red
River Valley & Western Railroad Company, Twin
Cities & Western Railroad Company, and HSC &
Western, LLC

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36316

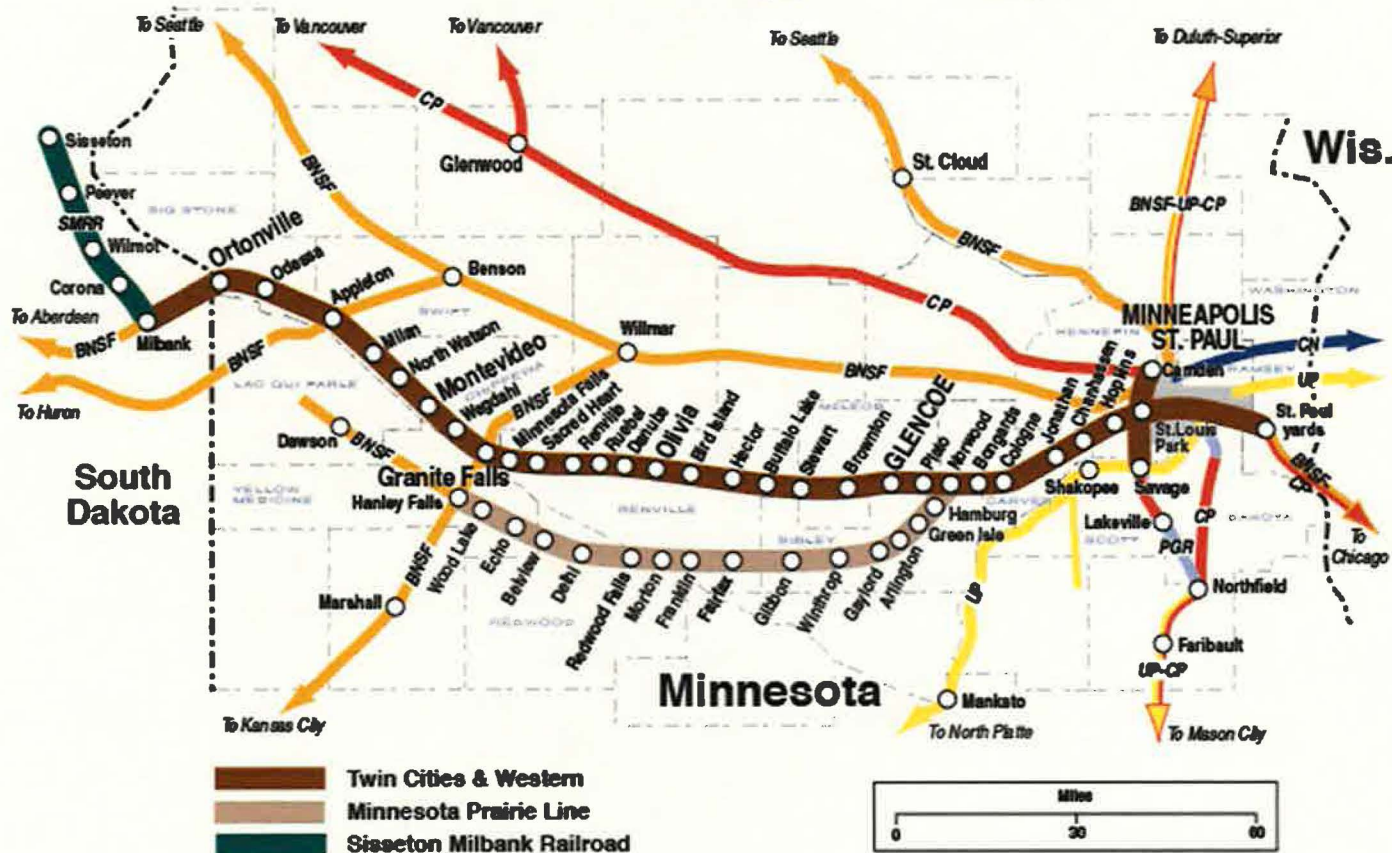
**DMH TRUST FBO MARTHA M. HEAD, RED RIVER VALLEY & WESTERN
RAILROAD COMPANY, TWIN CITIES & WESTERN RAILROAD COMPANY, AND
HSC & WESTERN, LLC
– CORPORATE FAMILY EXEMPTION –**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

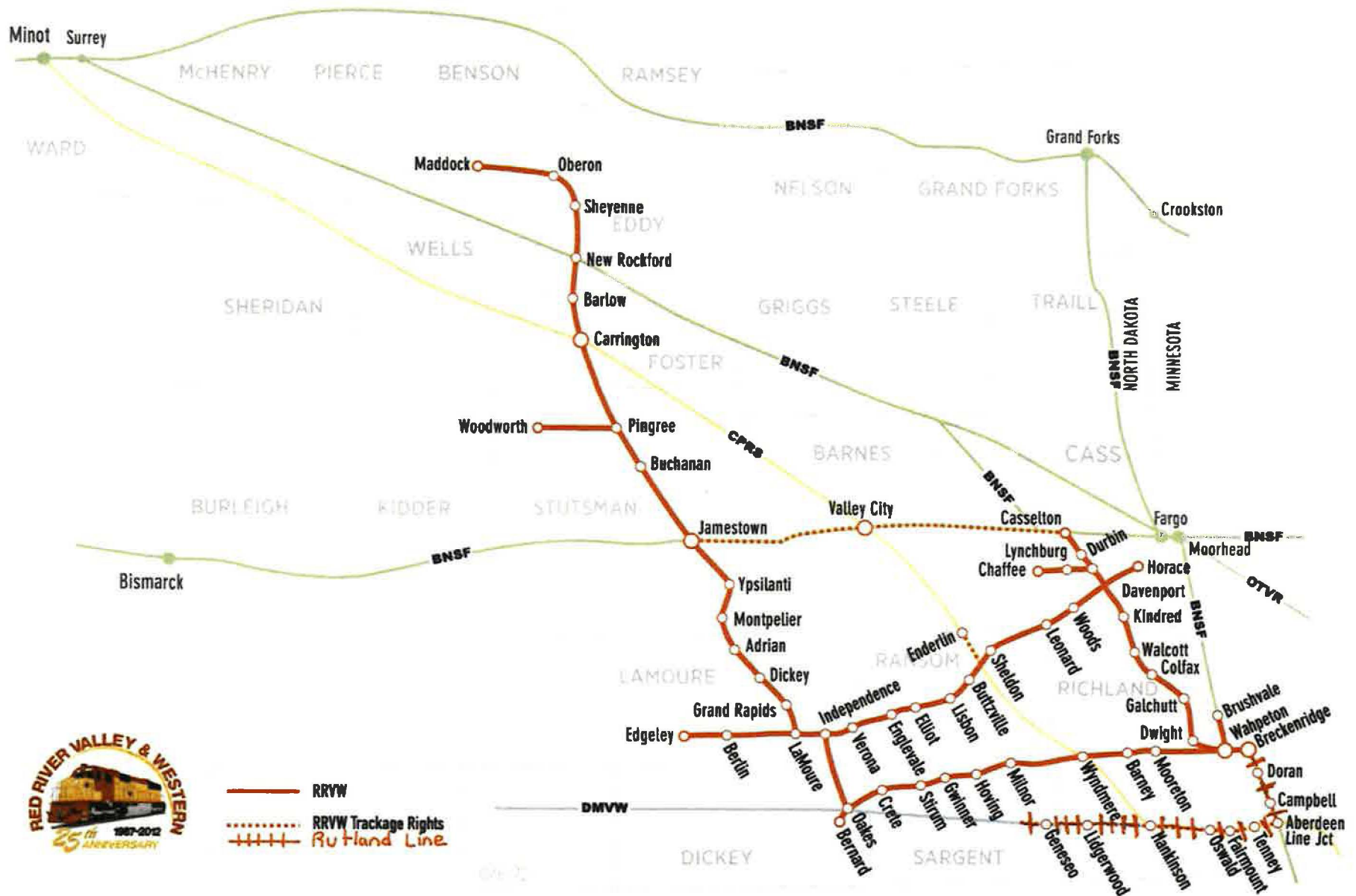
EXHIBIT A

MAPS

TC&W



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**BEFORE THE
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EXHIBIT B

CAPTION SUMMARY

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD NOTICE OF EXEMPTION

(FD 36316)

DMH TRUST FBO MARTHA M. HEAD, RED RIVER VALLEY & WESTERN RAILROAD COMPANY, TWIN CITIES & WESTERN RAILROAD COMPANY, AND HSC & WESTERN, LLC – CORPORATE FAMILY EXEMPTION –

DMH Trust fbo Martha M. Head (“TRUST”),¹ a non-carrier, Red River Valley & Western Railroad Company (“RRVW”), a Class III carrier, Twin Cities & Western Railroad Company (TCW), a Class III carrier, and HSC & Western, LLC, a non-carrier limited liability company owned by the TRUST (“HSC”) (collectively, the “Parties”) hereby submit this notice of exemption (“Notice”), pursuant to 49 C.F.R. §1180.2(d)(3), for an exemption from the prior approval and authorization requirements of the Surface Transportation Board (“STB” or “Board”) for a transaction within the TRUST corporate family. In anticipation of filing this Notice, the TRUST created HSC to become a non-operating railroad holding company upon exemption of the involved transaction. The TRUST currently owns and controls 100% of RRVW² and TCW³. RRVW and its subsidiary

¹ DMH Trust fbo Martha M. Head controls 100% of Twin Cities & Western Railroad Company and Red River Valley & Western Railroad Company. See DMH Trust fbo Martha M. Head – Acquisition of Control Exemption – Red River Valley & Western Railroad and Rutland Line, Inc., FD 35649 (STB served Aug. 8, 2012); see also DMH Trust fbo Martha M. Head – Acquisition of Control Exemption – Twin Cities & Western Railroad Company, Minnesota Prairie Lines, Inc. and Sisseton Milbank Railroad Company, FD 35662 (STB served Aug. 24, 2012).

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³ Minnesota Prairie Line, Inc. (MPL), and Sisseton Milbank Railroad Company (SMRC) are wholly owned Class III rail carriers subsidiaries of TCW. See Twin Cities & Western Railway Company, Douglas M. Head, Charles H. Clay, Kent P. Shoemaker and William F. Drusch – Continuance in Control Exemption – Minnesota Prairie Line, Inc., FD 34068 (STB served June 6, 2002); Minnesota Prairie Line, Inc. – Modified Rail Certificate, FD 34234 (STB served October 23, 2002); see Twin Cities & Western Railroad Company, the Estate of Douglas M. Head, and the DMH Trust FBO Martha M. Head – Continuance in Control Exemption – Sisseton Milbank Railroad Company, FD

conduct rail operations in North Dakota and Minnesota. TCW and its subsidiaries conduct rail operations in Minnesota and South Dakota. Upon consummation of the proposed transaction, HSC will become a non-operating railroad holding company controlling 100% of RRVW and TCW, and the TRUST will control 100% of HSC.

The Parties intend to consummate this transaction on or after the effective date set by the Board for the Notice.

If the Notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption 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 transaction. Any petitions to revoke must be filed with the Board and served on the TRUST's representative: William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Ave., NW, Suite 300, Washington, DC 20037, (202) 663-7820.

Decided: _____

By the Board

35642 (STB served July 18, 2012); see Sisseton Milbank Railroad Company – Acquisition and Operation Exemption—SLA Property Management Limited Partnership and Sisseton Milbank Railroad, Inc., FD 35641 (STB served June 29, 2012).

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VERIFICATION

VERIFICATION

I, Martha M. Head, hereby verify under penalty of perjury on behalf of DMH Trust fbo Martha M. Head, Red River Valley & Western Railroad Company, Twin Cities & Western Railroad Company, and HSC & Western, LLC (collectively "Parties") that to the best of my knowledge the foregoing verified notice of exemption is true and correct. Further, I certify that I am qualified and authorized to make such verification on behalf of the Parties in connection with this proceeding before the Surface Transportation Board.

Executed this 13th day of June 2019

A handwritten signature in black ink that reads "Martha M. Head". The signature is written in a cursive style and is positioned above a horizontal line.

Martha M. Head
Trustee and Chair of Board of Directors