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Mack H. Shumate, Jr. Senior General Attorney, Law Department

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April 20, 2011

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Public Record

VIA E-FILE

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

**Re: Docket No. AB-33 (Sub No. 297X) Union Pacific Railroad Company –
Abandonment Exemption – In Lafayette County, MO.**

**Finance Docket No. 35497 Nevada Central Railroad – Acquisition
and/or Operating Exemption. – Lexington Industrial Lead in Lafayette
County, MO**

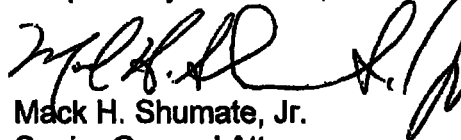
Dear Ms. Brown:

This letter responds to Robert Allan Kemp's, d/b/a Nevada Central Railroad ("NCR"), Notice of Stipulation to Abandonment filed April 11, 2011 and Notice of Intent to Institute Case filed April 18, 2011 in Docket No. AB-33 (Sub-No. 297X) and Notice of Intent to Institute Case in Finance Docket No. 35497 filed April 18, 2011.

UP has today withdrawn its offer to Mr. Kemp to negotiate a non-OFA acquisition of all or part of this line, for the reasons stated in the attached letter to Mr. Kemp. Accordingly, there will be no transaction for the Board to consider in Finance Docket No. 35497.

Please feel free to contact me should you have any questions.

Respectfully submitted,


Mack H. Shumate, Jr.
Senior General Attorney

cc: Robert Alan Kemp
City of Lexington, MO



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April 20, 2011

Robert Alan Kemp
d/b/a Nevada Central Railroad
2741 Pinewood Avenue
Henderson, NV 89074

**Re: Lexington Industrial Lead in Lafayette County, Missouri;
STB Docket No. AB-33 (Sub-No. 297X)**

Dear Mr. Kemp:

This letter is to advise you of Union Pacific's current position on negotiations for a possible sale of a portion of the above line, in view of your April 18, 2011 STB filing in the above docket.

As you know, on April 1, 2011, I made a filing with the Board on behalf of UP stating that UP was willing to negotiate with you outside of the OFA process for a possible acquisition of all or part of this line. On the same date, you made an abusive telephone call to Raymond Allamong, UP's Senior Manager of Rail Line Planning in which, among other things, you threatened to bring litigation against UP (as you put it, you were "about to drag UP through the [expletive]"). I was unaware of this call at the time I made the April 1 filing on behalf of UP. I also learned that, in other calls to Mr. Allamong on this matter, you had accused UP of "fraud." Mr. Allamong relayed your threats and accusations to UP's senior management.

This is not an isolated occurrence. You have, in the past, made numerous STB filings accusing UP and other companies, members of the Board's staff, federal, state and local government officials and others with criminal conduct, including fraud, conspiracy, theft, espionage, racketeering, etc (see, for example, the various filings you made in STB Docket No. AB-33, Sub- No. 230X and Finance Docket No. No. 35306). You also filed a frivolous lawsuit in federal court accusing the State of Nevada, various companies (including UP), government officials (including U.S. Senators Harry Reid, John Ensign and their spouses) former Federal judge Brian Sandoval (now Nevada Governor) and his spouse, and many others of similar criminal conduct. As you know, the trial judge dismissed this case with prejudice in an order filed November 29, 2010, finding that your complaint was "incomprehensible" and that you had failed to show any unlawful conduct either in the complaint or in oral argument, 2010 WL 4974569 (D.Nev.).

UP has been willing to give you the benefit of the doubt in this matter, but there comes a point when threats and unfounded accusations make negotiations untenable. In view of your past history and your latest round of threats and accusations, it is now apparent to

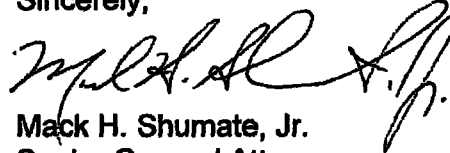


Robert Alan Kemp
d/b/a Nevada Central Railroad
April 20, 2011
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UP management that UP made a mistake by attempting to negotiate with you on this acquisition. Accordingly, I have been instructed by UP management to advise you that UP hereby withdraws its offer to negotiate with you or any of your associates for an acquisition of the above line. We will inform STB of this action.

Finally, in view of your threats to bring further frivolous litigation against UP, I am hereby advising you that I am counsel for UP on matters involving abandonments and rail line dispositions. Pursuant to STB Rules of Practice, 49 CFR 1103.28, you are to communicate only with me concerning these matters, and you are to have no communications with other UP personnel without my express agreement.

Sincerely,



Mack H. Shumate, Jr.
Senior General Attorney

cc: Ray E. Allamong, Jr.

CERTIFICATE OF SERVICE

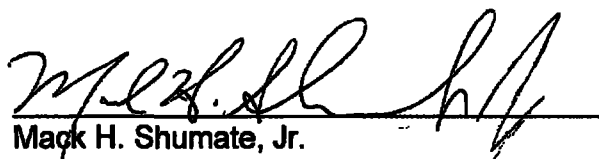
I certify that I have on this date served the foregoing document on the following:

Robert Alan Kemp
d/b/a Nevada Central Railroad
2741 Pinewood Avenue
Henderson, NV 89074

City of Lexington, Missouri
919 Franklin Avenue
Lexington, MO 64067

Service was made by First Class United States Mail with postage prepaid.

Dated at Chicago, Illinois this 20th day of April, 2011.



Mack H. Shumate, Jr.