

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1666
CHICAGO, ILLINOIS 60604-1228
TELEPHONE (312) 236-0204
mcfarland@aol.com



THOMAS F. MCFARLAND

August 29, 2018

246292

By UPS overnight mail

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

ENTERED
Office of Proceedings
August 30, 2018
Part of
Public Record

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

Dear Ms. Brown:

Hereby transmitted is the original and 10 copies of a Verified Notice Of Exemption Under 49 C.F.R. § 1180.2(d)(2) for filing with the Board in the above referenced matter.

Also enclosed is a check in the amount of \$1,500 for the filing fee.

Very truly yours,

Thomas F. McFarland
Attorney for Applicant

TMcf:mg:enc:1817ltrSTB3

FEE RECEIVED
August 30, 2018
SURFACE
TRANSPORTATION BOARD

FILED
August 30, 2018
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

CGX, INC. -- CONTINUANCE IN	)	
CONTROL EXEMPTION -- SAN PEDRO	)	FINANCE DOCKET
VALLEY HOLDINGS, LLC IN COCHISE	)	NO. 36218
COUNTY, AZ	)	

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)

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

Applicant

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

Attorney for Applicant

Date Filed: August 30, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

CGX, INC. -- CONTINUANCE IN	)	
CONTROL EXEMPTION -- SAN PEDRO	)	FINANCE DOCKET
VALLEY HOLDINGS, LLC IN COCHISE	)	NO. 36218
COUNTY, AZ	)	

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

Pursuant to the class exemption at 49 C.F.R. § 1180.2(d)(2), CGX, Inc. (CGX) hereby provides this verified notice of its exemption from 49 U.S.C. § 11323 for its continuance in control of SAN PEDRO VALLEY HOLDINGS, LLC (SPVH) upon SPVH becoming a rail carrier.

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 transaction is continuance in control by CGX of San Pedro Valley Holdings, LLC (SPVH) when SPVH becomes a rail carrier by virtue of its acquisition from San Pedro and Southwestern Railroad Company (SPSR) of the following rail lines, i.e., (1) from point of connection to Union Pacific Railroad Company (UP) at Milepost No. 1033.25 at or near Benson, AZ and the end of track at Milepost No. 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 No. 1074 at or near Willcox, AZ to all tracks at Willcox Yard, a total of 8,281 feet or 1.57 miles in Cochise

County, AZ. *See Finance Docket No. 36216. San Pedro Valley Holdings, LLC -- Acquisition Exemption -- San Pedro and Southwestern Railroad Company, in Cochise County, AZ.*

Applicant is CGX, Inc. Applicant's business address is 1575 North Green Mount Road, Suite 300, P.O. Box 99, O'Fallon, IL 62269. Applicant's telephone number is (618) 632-4400. Applicant's counsel 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.

Applicant is a noncarrier holding company. CGX controls the following rail carriers:

Crystal City Railroad, Inc.
Lone Star Railroad, Inc.
Rio Valley Railroad, Inc.
Mississippi Tennessee Holdings, Inc.

Applicant hereby certifies that (1) the properties to be held by Applicant and the properties held by the rail carriers listed above do not connect with each other; (2) the proposed continuance in control is not part of a series of anticipated transactions that would connect the rail carriers with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, pursuant to 49 C.F.R. § 1180.2(d)(2), the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323.

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

The proposed transaction is 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 transaction 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.

Applicant is not a rail carrier. Applicant controls rail carriers. The rail lines to be owned by SPVH are located solely in Arizona.

(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.

The rail carriers controlled by CGX are non-operating holding companies. Maps of those rail carriers are not readily available.

(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 transaction.

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

The level of labor protection to be imposed is that set forth in *New York Dock Ry. -- Control -- Brooklyn Eastern District*, 360 ICC 60 (1979).

VERIFICATION

Attached to this notice as Appendix 1 is a verification of the statements made in this notice.

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 transaction.

CAPTION SUMMARY

Attached to this notice as Appendix 2 is the required caption summary.

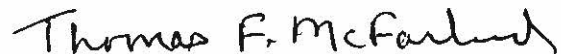
CONCLUSION

WHEREFORE, the Board should publish this notice of exemption in the *Federal Register* within 16 days of its filing.

Respectfully submitted,

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

Applicant



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

Attorney for Applicant

Date Filed: August 30, 2018

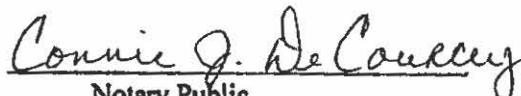
VERIFICATION

MATTHEW CUNDIFF, being duly sworn, states that he is an authorized employee of the Applicant in this proceeding; that he is familiar with the facts alleged in the foregoing Notice; and that those facts are true and correct.


MATTHEW CUNDIFF

STATE OF ILLINOIS)
) SS:
COUNTY OF ST. CLAIR)

SUBSCRIBED and SWORN to before me
this 29th day of August, 2018.


Notary Public

My Commission expires: 10-6-2020



APPENDIX 2

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION

(Finance Docket No. 36218)

**CGX, INC. -- CONTINUANCE IN CONTROL EXEMPTION -- SAN
PEDRO VALLEY HOLDINGS, LLC IN COCHISE COUNTY, AZ**

CGX, Inc. hereby provides notice of its exemption from 49 U.S.C. § 11323 for its continuance in control of San Pedro Valley Holdings, LLC (SPVH) when SPVH becomes a rail carrier by virtue of its acquisition of rail lines owned by San Pedro and Southwestern Railroad Company (SPSR) in Finance Docket No. 36216, *San Pedro Valley Holdings, LLC -- Acquisition Exemption -- San Pedro and Southwestern Railroad Company in Cochise County, AZ*, i.e., (1) from point of connection to Union Pacific Railroad Company (UP) at Milepost No. 1033.25 at or near Benson, AZ and the end of track at Milepost No. 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 No. 1074 at or near Willcox, AZ to all tracks at Willcox Yard, a total of 8,281 feet or 1.57 miles in Cochise County, AZ.

SPVH has concurrently filed a notice of exemption under 49 C.F.R. § 1150.31 for its acquisition of those rail lines in Finance Docket No. 36216. The parties in that docket do not intend to consummate that acquisition sooner than 30 days after the filing of that notice of exemption.

CGX owns the following rail carriers: Crystal City Railroad, Inc.; Lone Star Railroad, Inc.; Rio Valley Railroad, Inc.; and Mississippi Tennessee Holdings, LLC.

The proposed continuance in control is exempt from the prior approval requirements of 49 U.S.C. § 11323 by virtue of 49 C.F.R. § 1180.2(d)(2) because CGX has certified that (1) the rail lines to be owned by SPVH and the rail lines owned by 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 with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I rail carrier.

As a condition to use of the exemption, any employees affected by the transaction will be protected by the conditions set forth in *New York Dock Ry. -- Control -- Brooklyn Eastern Dist.*, 360 ICC 60 (1979).

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. If the notice of exemption contains false or misleading information the exemption is 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