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851 Twelfth Street
Oakmont, PA 15139

June 28, 2006

Vernon A. William, Secretary
Surface Transportation Board
1925 K. Street, N.W.
Washington, DC 20423-0001



Re: Finance Docket 34900; Lackawaxen-Honesdale Shipper Association, Inc. -
Acquisition of Control Exemption - Stourbridge Railroad Company

Dear Sir:

Enclosed for filing in the above captioned proceeding, please find the original and 10 copies of the Verified Notice of Exemption filed by the Lackawaxen-Honesdale Shipper Association, Inc. for acquisition of control of the Stourbridge Railroad Company. A check in the amount of \$1,400 is enclosed in payment of the Board's filing fee for the exemption notice.

Please time stamp a copy of this letter and return it in the enclosed self addressed, stamped envelope. Should have any further questions in connection with this exemption notice, please contact the undersigned.

Very truly yours,

RICHARD R. WILSON, P.C.

Richard R. Wilson, Esq.

Attorney for Lackawaxen-Honesdale
Shipper Assoc.

FILED

JUN 30 2006

**SURFACE
TRANSPORTATION BOARD**

RRW/bab

Enclosures

xc: Lackawaxen-Honesdale Shipper Assoc., Inc.

ENTERED
Office of Proceedings

JUN 30 2006

**Part of
Public Record**

FEE RECEIVED

JUN 30 2006

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

LACKAWAXEN-HONESDALE SHIPPERS)
ASSOCIATION, INC. -ACQUISITION OF)
CONTROL EXEMPTION-STOURBRIDGE)
RAILROAD COMPANY)

FINANCE DOCKET
NO. 34900

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. §1180.2(d)(3)



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Office of Proceedings

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Public Record

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SURFACE
TRANSPORTATION BOARD

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SURFACE
TRANSPORTATION BOARD

LACKAWAXEN-HONESDALE
SHIPPER ASSOCIATION, INC.
100 Fourth Street
Honesdale, PA 18431

Applicant

RICHARD R. WILSON, ESQ.
127 Lexington Avenue, Ste. 100
Altoona, PA 16601
(814) 944-5302

Attorney for Applicant

Date Filed: June 27, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

LACKAWAXEN-HONESDALE SHIPPERS	)	FINANCE DOCKET
ASSOCIATION, INC. -ACQUISITION OF		NO. 34900
CONTROL EXEMPTION- STOURBRIDGE	)	
RAILROAD COMPANY		

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. §1180.2(d)(3)

Petitioner, LACKAWAXEN-HONESDALE SHIPPER ASSOCIATION, INC. ("LHSA") files this Verified Notice of Exemption and in support thereof states as follows:

1. Under the provisions of §1180 of the Board's Railroad Consolidation Rules, 49 C.F.R. §1180 et seq., LHSA gives notice of a transaction which qualifies for exemption under §1180.2 (d)(2) of those rules.
2. LHSA, by Notice of Exemption in Finance Docket No. 34891, has obtained exemption authority to acquire ownership of the Honesdale Branch from the Pennsylvania Department of Transportation for purposes of local control and preservation of rail service on the Honesdale Branch. On or after the effective date of that exemption notice, LHSA will acquire ownership of all issued and outstanding shares of Stourbridge Railroad Company from Mr. Richard D. Robey. Stourbridge Railroad Company has been the operating carrier for the Honesdale Branch since 1990 and obtained STB operating authority for said service in Finance Docket No. 31508.
3. As a result of this stock acquisition of control transaction, LHSA will own and control the stock of the Stourbridge Railroad Company, a Class III common carrier

railroad, which will continue to operate and provide rail service on the Honesdale Branch. LHSA owns no other rail lines or railroads and therefore, the Stourbridge Railroad does not connect with any other railroad owned or operated by LHSA. The acquisition of control over Stourbridge Railroad Company is not part of a series of anticipated transactions that would connect that railroad with any other railroad owned by LHSA. Finally, the transaction does not involve a Class I carrier.

4. The purpose of the transaction is to consolidate ownership of the operating rail carrier with applicant's ownership of the Honesdale Branch so that both the rail line and the operating rail carrier can be managed and controlled by LHSA.

5. In accordance with the 49 C.F.R. Part 1180.4(g) the following information is provided:

A.) Applicant: 49 C.F.R. §1180.6 (a)(1)(i)

Name: Lackawaxen-Honesdale Shipper Association, Inc.

Address: 100 Fourth Street
Honesdale, PA 18431

Telephone: (570) 251-9550

Legal counsel to whom questions should be addressed:

Richard R. Wilson, Esq.
127 Lexington Avenue, Ste. 100
Altoona, PA 16601
Tel: (814) 944-5302
(for Petitioner)

B.) Schedule for consummation: 49 C.F.R. §1180.6(a)(1)(ii)

On or after the effective date of this exemption notice.

C.) Purpose to be accomplished by the transaction: 49 C.F.R. §1180.6 (a)(1)(iii)

Establishment of consolidated control and management of the Honesdale Branch and the Stourbridge Railroad Company.

- D.) State(s) where proposed operations will be conducted: 49 C.F.R. §1180.6(a)(5)

Pennsylvania

- E.) Map showing location of the operating railroad to be acquired:
49 C.F.R. §1180.6(a)(6)

Attached hereto at Appendix I

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

Attached hereto at Appendix II

7. This acquisition of control proceeding is exempt from environmental review under 49 C.F.R. §1105.6 (c)(2)(i) because the proposed action will not cause any operating changes that exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). In addition, this proceeding is exempt from historic review under 49 C.F.R. §1105.8 (b)(i) because there are no plans to dispose of or alter property subject to Board jurisdiction that is fifty years old or older. Accordingly, no historic report is required.

8. Labor protection required: None. Under 49 U.S.C. §11326 transactions between Class III rail carriers are not subject to labor protection.

Respectfully submitted,



Richard R. Wilson, Esq.

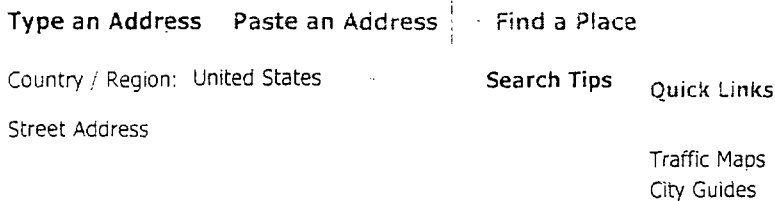
Richard R. Wilson, P.C.

127 Lexington Avenue, Ste. 100

Altoona, PA 16601

Tel: (814) 944-5302

Counsel for Lackawaxen-Honesdale
Shipper Association, Inc.



CONTRACT FOR SALE OF STOCK

THIS CONTRACT is made at _____, Pennsylvania, on _____ by HONESDALE SHIPPER ASSOCIATION, a Pennsylvania non profit corporation, (Buyer) of Honesdale, Pennsylvania, and RICHARD D. ROBEY (Seller) of Lewisburg, Pennsylvania.

RECITALS

Seller is the owner of all of the issued and outstanding capital stock of Stourbridge Railroad Company, a Pennsylvania corporation (the Corporation). Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all of the issued and outstanding capital stock of the Corporation on the terms and conditions contained in this contract.

THEREFORE, in consideration of the mutual promises and conditions contained in this contract, the parties agree as follows:

Purchase and Sale of Shares

1. Subject to the terms and conditions of this contract, Seller agrees to sell, transfer, and assign to Buyer, and Buyer agrees to purchase, at the closing as defined in this contract, all of the issued and outstanding capital stock of the Corporation. At the closing, Seller shall deliver to Buyer a certificate or certificates evidencing the Corporation's stock, in a form ready for transfer and duly endorsed to Buyer. At the closing, and from time to time after the closing, Seller shall execute and deliver other documents and instruments, and take other actions, as Buyer may reasonably request, in order more fully to vest in Buyer all right, title, and interest in and to the Corporation's capital stock.

Purchase Price

2. The total purchase price shall be \$ _____, of which \$ _____ shall be paid by a bank cashier's or certified check on or before the closing.

Closing and Closing Date

3. The closing date shall be within _____ days from the date of this contract, on a date to be set by agreement of Buyer and Seller. The closing shall be conducted by the mailed exchange of stock and corporate documents and the check referred to in Paragraph 2 between counsel for the Buyer and Seller.

Seller's Title to Stock

4. Seller represents and warrants that Seller has good, absolute, and marketable title to the Corporation's capital stock, free and clear of all liens, claims, encumbrances, and restrictions of every kind; and Seller has the complete and unrestricted right, power, and authority to sell, transfer, and assign the Corporation's capital stock pursuant to this contract.

Duly Organized Corporation

5. Seller represents and warrants that the Corporation is a duly organized and validly existing Pennsylvania corporation in good standing, with all requisite power and authority to carry on its business as currently conducted.

Qualification to do Business

6. Seller represents and warrants that the Corporation is duly qualified and in good standing in each jurisdiction where the nature of its activities or its properties owned or leased makes qualification necessary.

Intercorporate Relations

7. Seller represents and warrants that the Corporation has no subsidiaries and has no direct or indirect equity interest in any other firm, corporation or business enterprise.

Capitalization

8. Seller represents and warrants that the Corporation is authorized to issue 10,000 shares of common stock, 100 of which are duly and validly issued and outstanding; and the Corporation has no authority to issue any other capital stock or other security.

Indebtedness

9. Seller represents and warrants to Buyer that the Corporation has no long-term or short-term indebtedness.

Stock Rights

10. Seller represents and warrants that there are no outstanding options, contracts, commitments, warranties, agreements, or other rights of any character affecting or relating in any manner to the issuance of the Corporation's capital stock or other securities, or entitling anyone to acquire the Corporation's capital stock or other securities.

Tax Returns

11. Seller represents and warrants that the Corporation has duly filed all federal, state, and local tax returns required to be filed by it and has paid all federal, state, and local taxes required to be paid with respect to the periods covered by the returns.

Compliance With Law and Instruments

12. Seller represents and warrants that the business and operation of the Corporation have been and are being conducted in accordance with all applicable laws, rules, and regulations of all authorities; that performance of this contract will not result in any breach of, constitute a default under, or result in the imposition of any lien or

encumbrance on any property of the Corporation under any arrangement, agreement, or other instrument to which the Corporation or Seller is a party.

Schedule of Assets

13. Within 30 days after the execution of this contract, Seller shall deliver to Buyer a schedule of assets specifically referring to this paragraph. The schedule shall include the following:

a. A true and complete copy of all licenses or certificates for the operation of common carrier railroad lines and facilities from Lakawaxen to Honesdale, PA;

Licenses

14. a. Seller represents and warrants that to the best of Seller's knowledge and belief, the Corporation owns, possesses, and has good title to all licenses necessary to the conduct of its business.

b. Buyer represents and warrants that it has complied with all regulatory requirements and has or will obtain all administrative approvals and licenses necessary to acquire and exercise control of the Stourbridge Railroad Company.

Records

15. Seller represents and warrants that the respective books of account and minute books of the Corporation are complete and correct, and they reflect all those transactions involving the Corporation's business that properly should have been set forth in those books.

Shares in Escrow

16. Buyer shall maintain all of the shares of stock purchased under this contract in escrow with Buyer's counsel until such time as Buyer has obtained any prior regulatory authority or approval necessary to consummate this transaction.

Buyer's Right of Examination

17. Seller shall cause the Corporation to afford Buyer access, during normal business hours, to all of its business operations, properties, books, files, and records, and shall cooperate in Buyer's examination of these.

Designation of Directors and Officers

18. Seller shall deliver to Buyer at the closing the written resignations of the directors and officers of the Corporation.

Minimum Tangible Net Worth

19. On the closing date, the Corporation shall have a tangible net worth of at least \$ _____.

Opinion of Seller's Counsel

20. Seller shall deliver to Buyer the opinion, dated the closing date, of Seller's counsel, Richard R. Wilson, Esq., in form and substance satisfactory to Buyer and Buyer's counsel, to the following effect:

a. The Corporation is a duly and validly organized and existing corporation in good standing under the laws of the State of Pennsylvania with full corporate power to carry on the business in which it is engaged and it is legally qualified to do business as a corporation in good standing in each jurisdiction where the nature of its activities or of its properties owned or leased makes qualification necessary;

b. The performance of this contract and the consummation of the transactions contemplated in this contract will not result in any breach or violation of any of the terms or provisions of, or constitute a default under, the Corporation's articles of incorporation or By-laws, or any order, rule, or regulation of any court or governmental agency or body having jurisdiction over the Corporation or any of its activities or properties, or any statute, indenture, mortgage, deed of trust, lease, loan agreement, security agreement, or other agreement or instrument known to Seller's counsel, to which the Corporation is a party, by which it is bound, or to which any of its property is subject;

c. No provision of the articles of incorporation, as amended, by-laws, as amended, minutes, or share certificates of the Corporation, or of any contract to which the Corporation or Seller is a party or by which it is otherwise bound or affected, prevents Seller from delivering good, absolute, and marketable title to the Corporation's capital stock to Buyer as contemplated by this contract;

d. Seller has the complete and unrestricted power and right to transfer, sell, assign, and deliver to Buyer the Corporation's capital stock, and good, absolute, and marketable title to the Corporation's capital stock, free and clear of all liens, encumbrances, charges, escrows, equities, and other restrictions.

e. The Corporation is authorized to issue shares of common stock, par value \$1.00 per share, of which there are 100 shares issued and outstanding, all of which are duly authorized, validly issued, and outstanding, and to the knowledge of Seller's counsel the issuance and sale of shares are not subject to the Securities Act of 1933, as amended or the rules and regulations of the Securities and Exchange Commission.

f. The Corporation has no other authorized or outstanding series or class of capital stock or other securities;

g. Seller's counsel has no knowledge of any litigation, proceeding, or governmental investigation or labor dispute or labor trouble pending or threatened against

or relating to the Corporation or its properties or business, except as set forth in the opinion.

Expenses

21. Each party shall bear all expenses incurred by it in connection with this contract and in the consummation and preparation for the transactions contemplated in this contract.

Amendment and Waiver

22. This contract may be amended or modified at any time and in all respects, and any provision may be waived, by an instrument in writing executed by Buyer and Seller or by either of them in the case of a waiver.

Assignment

23. Neither this contract nor any right created by this contract shall be assignable by either party without the prior written consent of the other. Nothing in this contract is intended to confer on any person, other than the parties and their successors, any rights or remedies under or by reason of this contract.

Notices

24. Any notice, communication, request, reply or advice ("notice") required or permitted to be given, made, or accepted by either party under this contract must be in writing and may be given or served by depositing it in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, or by delivering it in person to the party to be notified. Notice deposited in the mail shall be effective only if and when received by the party to be notified. For purposes of notice the addresses of the parties shall be as follows until changed by notice:

Buyer:

(Name)

(Address)

(city, state and zip code)

Seller:

(Name)

(Address)

(city, state and zip code)

Headings

25. Headings contained in this contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this contract.

Counterpart Execution

26. This contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Parties in Interest

27. All of the terms and provisions of this contract shall be binding on and inure to the benefit of and be enforceable by Buyer and Seller, their heirs, executors, administrators, successors, and assigns.

Integrated Contract

28. This contract constitutes the entire agreement between the parties, and there are no agreements, understandings, restrictions, warranties, or representations between the parties other than those set forth or provided for in this contract.

Choice of Law

29. It is the intention of the parties that the laws of the Commonwealth of Pennsylvania should govern the validity of this contract, the construction of its terms, and the interpretation of the rights and duties of the parties.

Arbitration

30. Any dispute arising under this contract or relating to this subject matter of this contract shall be resolved under the commercial arbitration rules of the American Arbitration Association.

Dated: _____.

SELLER

_____ (Signature)

_____ (Typed Name)

BUYER

_____ (Signature)

_____ (Typed Name)

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Finance Docket No. 34900

Lackawaxen-Honesdale Shipper Association, Inc. – Acquisition of Control Exemption –

Stourbridge Railroad Company

Lackawaxen-Honesdale Shipper Association, Inc. a non-carrier, has filed a Notice of Exemption for its acquisition of control of the Stourbridge Railroad Company which provides common carrier rail service on the Honesdale Branch between Honesdale, PA M.P. 135.00, and Lackawaxen, PA M.P. 110.26.

Comments must be filed with the Board and served on the representative of the Shipper Association, Richard R. Wilson, Esq., Richard R. Wilson, P.C., 127 Lexington Avenue, Ste. 100, Altoona, PA 16601, 814-944-5302.

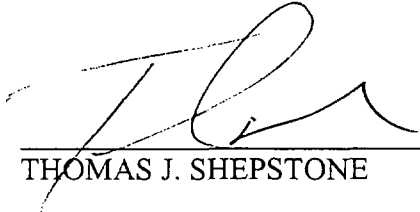
This notice is filed under 49 C.F.R. §1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

By the Board
Vernon A. Williams, Secretary

VERIFICATION

STATE OF PENNSYLVANIA)
) SS:
COUNTY OF WAYNE)

THOMAS J. SHEPSTONE, begin duly sworn on oath, deposes and states that he has read the foregoing notices, that he knows the contents thereof, and that the facts therein states are true and correct. Thomas J. Shepstone does further certify that the projected revenues as a result of this acquisition do not result in the creation of a Class II or Class I rail carrier.



THOMAS J. SHEPSTONE