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BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

ORIGINAL

STB Docket No AB-55 (Sub-No. 667X)

CSX TRANSPORTATION, INC.
--ABANDONMENT EXEMPTION--
IN HARLAN COUNTY, KY



OFFER OF FINANCIAL ASSISTANCE

ENTERED
Office of Proceedings

JUL 25 2006

Part of
Public Record

FILED

JUL 25 2006

SURFACE
TRANSPORTATION BOARD

Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036-1601
Tel.: (202) 263-4152

Attorney for

SEASIDE HOLDINGS, INC.

Due and dated: July 25, 2006

FEE RECEIVED

JUL 25 2006

SURFACE
TRANSPORTATION BOARD

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STB Docket No AB-55 (Sub-No. 667X)

CSX TRANSPORTATION, INC.
--ABANDONMENT EXEMPTION--
IN HARLAN COUNTY, KY

OFFER OF FINANCIAL ASSISTANCE

Offeror, Seaside Holdings, Inc. of Palm Beach Gardens, Florida 33410 ("Seaside"), pursuant to 49 U.S.C. 10904, 49 C.F.R. 1152.27 and the Decision of the Board, served July 19, 2006, offers to purchase the 12.56 miles of railroad line noticed to be abandoned by CSX Transportation, Inc.

An offer of financial assistance ("OFA") to acquire a line for continued rail service need not be detailed, but an offeror must show that it is financially responsible and that the offer is reasonable. STB Docket No. AB-1081X, San Pedro Railroad Operating Company, LLC—Abandonment Exemption—In Cochise County, AZ, served February 17, 2006; STB Docket No. AB-490 (Sub-No. 1X), Greenville County Economic Development Corporation—Abandonment and Discontinuance Exemption—In Greenville County, SC, served October 27, 2005; STB Docket No. AB-55 (Sub-No. 659X), CSX Transportation, Inc.—Abandonment Exemption—In Allegany County, MD, served October 26, 2005; STB Docket No. AB-290 (Sub-No. 260X), Tennessee

Railway Company—Abandonment Exemption—In Scott County, TN, served June 30, 2005. Seaside fully satisfies both requirements.

Seaside is a holding company wholly owned by two individuals. The one is Mr. Dan Corcoran, who serves as a Director, President and Treasurer. The other is Mr. John E. Higley, who serves as a Director, Vice President and Secretary.

Mr. Corcoran has a net worth of \$7,340,000. Attached is a letter, dated July 24, 2006, declaring that he is prepared to commit his net worth to the purchase and two year operation by Seaside of the CSXT line noticed for abandonment. A copy of Mr. Corcoran's Personal Financial Statement as submitted to his bank, Commerce Bank, is attached to his letter.

Mr. Higley has a net worth of \$10,385,000. Attached is a letter, dated July 24, 2006, declaring tht he is prepared to commit his net worth to the purchase and two year operation by Seaside of the CSXT line noticed for abandonment. A copy of Mr. Higley's Personal Fiancial Statement as submitted to his bank, Bank Atlantic of Ft. Lauderdale, FL., is attached to his letter.

In Seaside's Offer of Financial Assistance, filed June 26, 2006, Messrs. Corcoran and Higley agreed to commit their net worth to permit Seaside to purchase and operate for two years' time the railroad lines proposed to be abandoned by McCloud Railway Company in STB Docket No. AB-914X, McCloud Railway Company—Abandonment and Discontinuance of Service exemption—In Siskiyou, Shasta, and Modoc Counties, CA. McCloud Railway Company estimated that its net liquidation value totaled \$4,655,202.90. By its Decision, served June 28, 2006, Seaside was found by the Board to be a financially responsible person.

By letter, dated June 13, 2006, Seaside asked CSXT to provide it with the net liquidation value of the line it noticed to be abandoned and the supporting data, as contemplated by 49 C.F.R. 1152.27(a). On July 12, 2006, Mr. Dave Geraci, CSXT's Manager – Network Rationalization, responded, stating that the total net liquidation value for the railroad line was \$636,261.00, "which is the sum of a \$201,000.00 land value and a \$435,261.00 track value."

Therefore, the net worth of either Mr. Corcoran or Mr. Higley alone would be more than sufficient to purchase and operate for two years' time the McCloud Railway Company lines authorized for abandonment and the CSXT railroad line noticed for abandonment in the instant proceeding. Their combined net worth of over \$18 million, which they are prepared to commit to Seaside's purchase and operation of the two properties assuredly establishes that Seaside is a financially responsible person within the meaning of 49 U.S.C. 10904(d).

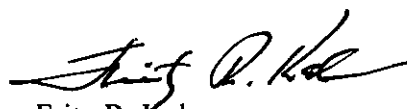
As for the value of the property in question, Seaside does not dispute Mr. Geraci's estimate of the net liquidation value of the railroad line and is prepared to pay CSXT \$636,261.00 for it.

WHEREFORE, Seaside Holdings, Inc., asks that it be found to be a financially responsible person within the meaning of 49 U.S.C. 10904(d), prepared to pay CSX Transportation, Inc., the \$636,261.00 which it stated was the net liquidation value of the line noticed to be abandoned.

Respectfully submitted,

SEASIDE HOLDINGS, INC.

By its attorney,



Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036
Tel.: (202) 263-4152

Due and dated: July 25, 2006

CERTIFICATE OF SERVICE

I certify that I this day have served a copy of the foregoing Offer of Financial Assistance upon CSX Transportation, Inc., by facsimile transmitting a copy to its attorney, Steve C. Armbrust, Esq.

Dated at Washington DC, this 25th day of July 2006.



Fritz R. Kahn

July 24, 2006

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: STB Docket No. AB-55 (Sub-No. 667X), CSX Transportation Inc. –
Abandonment Exemption – Harlan County, KY

To Whom It May Concern:

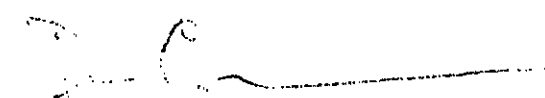
My name is Dan Corcoran, and I am one of two stockholders of Seaside Holdings, Inc., of Palm Beach Gardens, FL, one of its two Directors, its President and Treasurer.

Attached is a copy of my personal financial statement as submitted by me to the Commerce Bank, showing that I have a net worth of \$7,340,000.00, which I am prepared to commit to the purchase and two-year operation by Seaside Holdings, Inc. of the properties formerly operated by CSX Transportation, Inc.

I previously made a commitment for a portion of my assets to purchase and operate the McCloud Railway, pursuant to STB Docket No. AB-914X. I have ample remaining assets to purchase and operate the rail in questions.

Please contact me at your convenience with any questions concerning the financial statements or my personal commitment.

Best regards,



Mr. Dan Corcoran
14108 Harbor Lane
Palm Beach Gardens, FL 33410
Phone: (561) 629-0017

ACKNOWLEDGMENT

State of Florida)
County of Palm Beach)ss.

On this 24 day of July in the year 2006, before me Melanie C. Higley, a notary public, personally appeared John E. Higley, proved on the basis of satisfactory evidence to be the person(s) whose name(s) (is/are) subscribed to this instrument, and acknowledged (he/she/the) executed the same. Witness my hand and official seal

Melanie C. Higley
Notary Public



Melanie C. Higley
MY COMMISSION # 00192360 EXPIRES
March 11, 2007
BONDED THRU TROY FAIR INSURANCE, INC.



PERSONAL FINANCIAL STATEMENT AS OF _____

Date

SUBMITTED TO: _____

PERSONAL INFORMATION			
APPLICANT (NAME) <u>DAN CORCORAN</u>		CO-APPLICANT (NAME)	
US Citizen ☒ Yes ☐ NO If no, resident Alien No.		US Citizen ☐ Yes ☐ NO If no, resident Alien No.	
Employer <u>AMERICAN AIRLINES</u>		Employer	
Address of Employer <u>MIAMI INTL AIRPORT</u>		Address of Employer	
Business Phone No. <u>305-517-1400</u>	No. Of Years with Employer <u>21</u>	Title/Position <u>CAPTAIN</u>	Business Phone No.
Name of previous employer & position (if with current employer less than 3 yrs.)		No. of Yrs.	Name of previous employer & position (if with current employer less than 3 yrs.)
Home Address <u>14100 HARBOR LANE</u>		Home Address	
Home Phone No. <u>305-7010</u>	Social Security No. <u>[REDACTED]</u>	Date of Birth <u>11-1-58</u>	Home Phone No.
Name, Phone No. of your Accountant <u>JOHN RABER 7107 876 8900</u>		Name, Phone No. of your Accountant	
Name, Phone No. of your Attorney <u>TEB TARONE SU 832-0200</u>		Name, Phone No. of your Attorney	
Name, Phone No. of your Investment Advisor/Broker		Name, Phone No. of your Investment Advisor/Broker	
Name, Phone No. of your Insurance Advisor		Name, Phone No. of your Insurance Advisor	

Cash Income & Expenditures Statement For Year Ending _____ (Omit cents)	
Salary (applicant) \$ <u>120,000</u>	Federal Income and Other Taxes \$
Salary (Co-applicant)	State Income and Other Taxes
Bonuses & Commission (applicant)	Rental Payments, Co-op or Condo Maintenance
Bonuses & Commission (co-applicant)	Mortgage Payments Residential
Rental Income <u>30,000</u>	Investment
Interest Income	Property Taxes Residential
Dividend Income	Investment
Capital Gains	Interest & Principal Payments on Loans
Partnership Income	Insurance
Other Investment Income	Investments (including tax shelters)
Other Income (List) **	Alimony/Child Support
	Tuition
	Other Living Expenses
	Medical Expenses
	Other Expense (List)
TOTAL INCOME \$ <u>210,000</u>	TOTAL EXPENSES

Any significant changes in the next 12 months? ☐ Yes ☐ No (If yes, attach information)

**Income from alimony, child support, or separate maintenance income need not be revealed if the applicant or co-applicant does not wish to have it considered as a basis for repaying this obligation.

(These forms are prepared for use by members of the National Student Loan Clearinghouse. Information must be provided for members of the Clearinghouse.)

Schedule B - Insurance
Life Insurance (use additional sheets)

Insurance Company	Face Amount of Policy	Type of Policy	Beneficiary	Cash Surrender Value	Amount Borrowed	Ownership

Disability Insurance	Applicant	Co-Applicant
Monthly Distribution of Disabled		
Number of Years Covered		

Schedule C - Personal Residence & Real Estate Investments, Mortgage Debt (majority ownership only)

Personal Residence Property Address	Legal Owner	Purchase		Market Value	Present Loan Balance	Interest Rate	Loan Maturity Date	Monthly Payment	Lender
		Year	Price						
10:08 HARBOR LN	DAN CORCORAN	1994	375000	1,500,000	650,000	5 1/4	2017	4500	CHASE
Investment Property Address	Legal Owner	Purchase		Market Value	Present Loan Balance	Interest Rate	Loan Maturity Date	Monthly Payment	Lender
		Year	Price						
525 LAKE SHORE ^{25%}	DAN CORCORAN	1997	575000	1,500,000	400,000	5 3/4	2027	3000	CHASE
1100 LAKE SHORE ^{25%}	CHRIS YACH	1995	825,000	1,200,000	250,000	6	2035	4000	

Schedule D - Partnerships (less than majority ownership for real partnerships)*

Type of Investment	Date of Initial Investment	Cost	Percent Owned	Current Market Value	Balance Due on Partnership: Holds, Cash, Call	Final Contribution Date
Business/Professional (indicate name):						
Investments (including Tax Shelters):						
SR 74 LLC	9/2004	2,300,000	20%	4,400,000		
300 EIDLAR COTTAGE LLC	5/2004	4,500,000	23%	6,600,000		

*Note: For investments which represent a material portion of your total assets, please include the relevant financial statements or tax returns, or in the case of partnership investments of S-corporations, schedule K-1s.

Schedule E - Notes Payable

Due to	Type of Facility	Amount of Line	Secured		Collateral	Interest Rate	Maturity	Unpaid Balance
			Yes	No				
Colonial BANK	BANK	1,600,000	☒	☐	10 1/2 ACRES	8 3/4	SEPT 07	1,600,000
COMMERCIAL		3,400,000	☒	☐	2 601F COTTAGES	8 3/4	APR 06	3,400,000
			☐	☐				
			☐	☐				

Please Answer the Following Questions:

1. Income tax returns filed through (date): 2004 Are any returns currently being audited or contested? ☐ Yes ☒ No
If yes, what years (s): _____
2. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? ☐ Yes ☒ No
If yes, please provide details: _____
3. Have you drawn a will? ☐ Yes ☒ No
If yes, please furnish the name of the executor(s) and year will was drawn: _____
4. Number of dependents (excluding self) and relationship to applicant: 0
5. Have you ever had a financial plan prepared for you? ☐ Yes ☒ No
6. Did you include two years federal and state tax returns? ☒ Yes ☐ No
7. Do (either of) you have a line of credit or unused credit facility at any other institution(s)? ☒ Yes ☐ No
If so, please indicate where, how much, and name of banker: AMERICAN AIRLINE FCU +30,000
8. Do you anticipate any substantial inheritances? ☐ Yes ☒ No
If yes, please explain: _____

Representations and Warranties

The information contained in this statement is provided to induce Commerce Bank to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that Commerce Bank is relying on the information provided herein in deciding to grant or continue credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify Commerce Bank immediately and in writing of any change in name, address, or employment of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to Commerce Bank. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. Commerce Bank is authorized to make all inquiries Commerce Bank deems necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. The undersigned authorize any person or consumer reporting agency to give Commerce Bank a copy of the undersigned's credit report and any other financial information it may have on the undersigned. Each of the undersigned authorizes Commerce Bank to answer questions about Commerce Bank's credit experience with the undersigned. Each of the undersigned authorizes Commerce Bank to answer questions about Commerce Bank's credit experience with the undersigned. As long as any obligation or guarantee of the undersigned to Commerce Bank is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned gives Commerce Bank shall be your property.

The undersigned authorize any person or consumer reporting agency to give Commerce Bank a copy of the undersigned's credit report, any other financial information it may have on the undersigned, and to prepare at Commerce Bank's request, a consumer investigative report.

Signature:	Date:	Social Security Number:
Signature:	Date:	Social Security Number:

Date

Your Signature

Date

Co-Applicant's Signature (If you are requesting
The financial accommodation jointly)

July 24, 2006

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: STB Docket No. AB-55 (Sub-No. 667X), CSX Transportation Inc. –
Abandonment Exemption – Harlan County, KY

To Whom It May Concern:

My name is John E. Higley, and I am one of two stockholders of Seaside Holdings, Inc., of Palm Beach Gardens, FL, one of its two Directors, its Vice President and Secretary.

Attached is a copy of my personal financial statement as submitted by me to the Bank Atlantic of Ft. Lauderdale, FL, showing that I have a net worth of \$10,385,000.00, which I am prepared to commit to the purchase and two-year operation by Seaside Holdings, Inc. of the properties formerly operated by CSX Transportation, Inc.

I previously made a commitment for a portion of my assets to purchase and operate the McCloud Railway, pursuant to STB Docket No. AB-914X. I have ample remaining assets to purchase and operate the rail in questions

Please contact me at your convenience with any questions concerning the financial statements or my personal commitment.

Best regards,


Mr. John E. Higley
14092 Harbor Lane
Palm Beach Gardens, FL 33410
Phone: (561) 629-0017

ACKNOWLEDGMENT

State of Florida)
County of Palm Beach)ss.

On this 24 day of July in the year 2006, before me Melanie C. Higley, a notary public, personally appeared John E. Higley, proved on the basis of satisfactory evidence to be the person(s) whose name(s) (is/are) subscribed to this instrument, and acknowledged (he/she/the) executed the same. Witness my hand and official seal

Melanie C. Higley
Notary Public



Melanie C. Higley
MY COMMISSION # DD192360 EXPIRES
March 11, 2007
BONDED THRU TROY FAIN INSURANCE, INC.

Supplementary Schedules (Continued)

Schedule C — Unlisted Securities

No. of Shares Owned	Description of Securities	Registered Owner	pledged To Whom	Book Value Per Financial Statement Debit	No. of Shares Outstanding	Total Value

Schedule D — Partial Interest In Real Estate Equities

Address and Type of Property	% Owned	Date Acquired	Cost	Market Value	Mortgage Holder	Balance Due	Monthly Payment	Value of Equity
505 LAKESHORE	25	1998	500,000	2,000,000	CHASE	410,000	4000	1,600,000
5076 76	25	2004	2,425,000	4,400,000	COLONIAL	1,600,000	5000	2,800,000
300 ROLF DRIVE	33	2005	3,900,000	6,100,000	COMMERCIAL	3,200,000	20000	1,900,000

Schedule E — Real Estate Owned

Location or Description of Property	Title in Name of	Date Acquired	Cost	Market Value	Principal Amount	Monthly Payment	To Whom
1405A HARBOR LN	JOHN HIGLEY	1991	240,000	2,400,000	1,100,000	4500	BOFA
310 R60	JOHN HIGLEY	2005	219,000	400,000	300,000	1200	HOME BANK

Placed?	Description of Collateral (if any)

Schedule G — Life Insurance Carried, Incl. N.S.L.I. and Group Insurance

Face Amount	Name of Company	Owner of Policy	Beneficiary	Cash Surrender Value
1,000,000	AIG	JOHN HIGLEY	MEAGHAN HIGLEY	0
500,000	VALLEY FORGE	JOHN HIGLEY	MEAGHAN HIGLEY	0

Schedule H — Notes Payable To Banks/Unsecured or Secured/Notes and/or Accounts Payable To Others

Balance Due	Date of Origination	Payable To	Security Pledged, if Any	Maturity Date	Terms of Payment	Reason for Debt
	1998	CHASE	505 LAKESHORE	2018	MONTHLY 9.00	MORTGAGE
	2004	COLONIAL BANK	5076	2007	MONTHLY 8.1	MORTGAGE
	2005	COMMERCIAL BANK	11914-11912 PRIMA	2008	MONTHLY 8.1/2	MORTGAGE
	2005	BOFA	1405A HARBOR LN.	2015	MONTHLY 5.75	MORTGAGE
	2004	HOME BANK	310 R60	2034	MONTHLY 5.5	MORTGAGE

The following information is applicable to the person(s) signing this Personal Financial Statement:

- 1) Non U.S. Citizen(s)? Yes _____ No X
- 2) Defendant(s) in any suits or legal actions? Yes _____ No K
- 3) Are any of the assets questionable? Yes _____ No K
- 4) Have you ever been a debtor in any bankruptcy or insolvency proceeding in the last fourteen (14) years? Yes _____ No K
- 5) Are you presently a defendant in any suits or legal actions? Yes _____ No K
- 6) Are you an owner of 5% or more of any corporation, partnership or trust, except for those which are publicly traded on recognized markets, which is a defendant in any suit or legal action? Yes _____ No K
- 7) Have any judgments ever been entered against you? Yes _____ No X
- 8) Do you pay alimony, child support, separate maintenance payments? Yes _____ No Y
If yes, monthly payment \$ _____
- 9) Are you a partner or officer in any other venture? Yes _____ No K
- 10) Are any assets pledged other than described in "Supplementary Schedules"? Yes _____ No K

If you answered yes to any of the above questions, give details:

The financial statement and the information contained herein is given to BankAmerica, A Federal Savings Bank, hereinafter called the "Lender", by the undersigned for the purpose of inducing the Lender, from time to time, to extend credit to or otherwise become or remain the creditor of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either individually or jointly with others, execute a guarantee in the Lender's favor. The undersigned acknowledges that the Lender will rely on the information contained in this Financial Statement in making its credit decision, and under penalty of perjury, swears and warrants that such information is true and complete and that there are no material omissions. The undersigned agrees that the Lender may consider its financial statement as constituting to be true and complete until a written notice of a change is given to the Lender by the undersigned. The Lender is authorized to make all inquiries that it deems necessary to verify the accuracy of the information contained herein and to determine the undersigned's creditworthiness. The Lender is further authorized to respond to any inquiries from others concerning the Lender's credit experience with the undersigned.

Dated: 5-15-2006 Signed: [Signature] (Applicant)
Dated: _____ Signed: _____ (Joint Applicant, if any)