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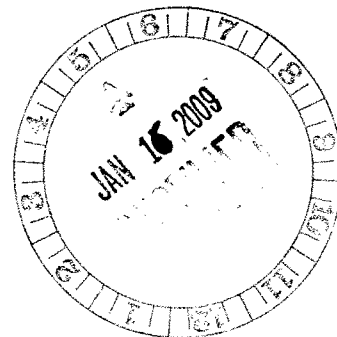
Robert A. Wimbish
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Direct Dial: (202) 663-7824

January 16, 2009

VIA HAND DELIVERY

The Honorable Anne K. Quinlan, Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001



Re: Finance Docket No. 35214
*Shawnee Terminal Railroad Co. – Corporate Family Consolidation Exemption –
Alabama Railroad Co., and Alabama & Florida Railway Co., Inc.*

Dear Acting Secretary Quinlan:

Enclosed on behalf of Shawnee Terminal Railroad Co. (“STR”), Alabama Railroad Co. (“ALAB”), and Alabama & Florida Railway Co., Inc. (“A&F”) are an original and eleven copies of a Notice of Exemption (“Notice”) filed under 49 CFR 1180.2(d)(3) for an exemption from the prior approval and authorization requirements governing a transaction within a corporate family. In accordance with 49 CFR 1002(f)(38)(iv), a check in the amount of \$1,700 is enclosed to cover the filing fee for the Notice.

Please acknowledge filing of this Notice by date stamping the extra copy thereof and returning that copy to the courier for return to my offices. If there are any questions concerning this filing, please contact me by telephone at (202) 663-7823 or by e-mail at wmullins@bakerandmiller.com.

Sincerely,


Robert A. Wimbish

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Office of Proceedings
JAN 16 2009
Part of
Public Record

Enclosures

FEE RECEIVED

JAN 16 2009

SURFACE
TRANSPORTATION BOARD

FILED

JAN 16 2009

SURFACE
TRANSPORTATION BOARD

224365

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35214

SHAWNEE TERMINAL RAILROAD CO.
– CORPORATE FAMILY CONSOLIDATION EXEMPTION –
ALABAMA RAILROAD CO., AND ALABAMA & FLORIDA RAILWAY CO., INC.

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR §1180.2(d)(3)

FILED

JAN 16 2009

SURFACE
TRANSPORTATION BOARD

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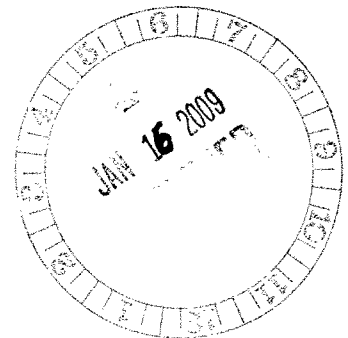
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Attorneys for Shawnee Terminal Railroad Co.,
Alabama Railroad Co., and Alabama & Florida
Railway Co., Inc.

January 16, 2009

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35214

**SHAWNEE TERMINAL RAILROAD CO.
– CORPORATE FAMILY CONSOLIDATION EXEMPTION –
ALABAMA RAILROAD CO., AND ALABAMA & FLORIDA RAILWAY CO., INC.**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR §1180.2(d)(3)**

Shawnee Terminal Railroad Co. (“STR”),¹ Alabama Railroad Co. (“ALAB”), and Alabama & Florida Railway Co., Inc. (“A&F”) (collectively, the “Parties”) hereby submit this notice, pursuant to 49 CFR §1180.2(d)(3), for an exemption from the prior approval and authorization requirements of the Surface Transportation Board (“STB” or “Board”) with respect to a transaction within a corporate family. The transaction encompassed in this Notice of Exemption entails the consolidation of ALAB, A&F and STR, with STR as the surviving corporate entity. Under the agreement and plan of consolidation, STR will own all of the assets of ALAB and A&F, and STR will be responsible for all debts, liabilities, and obligations of ALAB and A&F. In support of this Notice of Exemption and in compliance with 49 CFR §1180.4(g), the Parties provide the following information:

¹ Prior filings before this agency generally have referred to STR as “Shawnee Terminal Railway Company” or “Shawnee Terminal Railway Co.” Upon further consultation with railroad management, however, those two company names were found to be not quite correct. In the interest of greater accuracy, the parties to this Notice of Exemption hereby advise that the correct name for STR is “Shawnee Terminal Railroad Co.” – the name used in this filing.

49 CFR §1180.6(a)(1)(i) – Description of Transaction and Parties Thereto:

a. Description of Transaction.

STR, ALAB, and A&F are affiliated Class III rail common carriers, all of which are controlled by a non-carrier holding company, Pioneer Railcorp (“Pioneer”).² STR, an Illinois corporation, operates approximately 2.5 miles of track in Illinois;³ ALAB, an Iowa corporation, operates approximately 60 miles of track in Alabama;⁴ and A&F, also an Iowa corporation, operates approximately 43 miles of track in Alabama.⁵

Pursuant to 49 CFR §1180.2(d)(3), the Parties invoke the Board’s class exemption from the prior approval requirements of 49 U.S.C. §11323 for a transaction within the corporate family. As indicated above, the transaction involves the consolidation of ALAB, A&F, and STR, with STR the surviving corporate entity. As a result of the transaction, STR will own all of the assets of ALAB and A&F, and STR will be responsible for all of ALAB’s and A&F’s respective debts, liabilities, and obligations. Although ALAB and A&F will cease to exist as separate corporate entities, STR will operate the ALAB and A&F rail properties under the trade name (i.e., “doing business as”) the Alabama Railroad, while retaining the ALAB and A&F reporting marks assigned by the Association of American Railroads (“AAR”).

² See, e.g., Pioneer Railcorp – Continuance in Control Exemption – Gettysburg & Northern Railroad Co., STB Finance Docket No. 34010 (STB served Feb. 27, 2001).

³ See Pioneer Railcorp – Acquisition of Control Exemption – Shawnee Terminal Railway Company, Inc., STB Finance Docket No. 33298 (STB served Dec. 3, 1996); Shawnee Terminal Railway Company, Inc. – Acquisition and Operation Exemption – Cairo Terminal Railroad Company, STB Finance Docket No. 33127 (STB served Oct. 11, 1996).

⁴ See Alabama Railroad Co. – Acquisition and Operation Exemption – Wabash & Grand River Railway, Finance Docket No. 31943, 56 FR 51236 (Oct. 10, 1991).

⁵ See Alabama & Florida Railway Co. – Purchase and Operation Exemption – Alabama and Florida, Inc., Finance Docket No. 32191, 57 FR 56591 (Nov. 30, 1992) (covering A&F’s acquisition of roughly 77 miles of rail line); and Three Notch Railroad Co., Inc. – Acquisition, Lease and Operation Exemption – Alabama & Florida Railway Company, STB Finance Docket No. 33981 (STB served Jun. 29, 2001) (covering A&F’s conveyance of its rights and interest in approximately 34 miles of railroad to Three Notch Railroad).

The proposed corporate family transaction will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with carriers outside the Pioneer corporate family.

b. Names, Addresses, and Phone Numbers of Involved Parties.

PIONEER RAILCORP
1318 S. Johanson Rd.
Peoria, IL 61607
Tel: (309) 697-1400
Fax: (309) 697-5387

SHAWNEE TERMINAL
RAILROAD CO.
1318 S. Johanson Rd.
Peoria, IL 61607
Tel: (309) 697-1400
Fax: (309) 697-5387

ALABAMA RAILROAD CO.
1318 S. Johanson Rd.
Peoria, IL 61607
Tel: (309) 697-1400
Fax: (309) 697-5387

ALABAMA & FLORIDA
RAILWAY CO., INC.
1318 S. Johanson Rd.
Peoria, IL 61607
Tel: (309) 697-1400
Fax: (309) 697-5387

c. Names of Counsel to Whom Questions Can Be Addressed.

Correspondence with respect to this Verified Notice of Exemption should be addressed to:

Daniel A. LaKemper
General Counsel
PIONEER RAILCORP
1318 S. Johanson Road
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Tel: (309) 697-1400
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49 CFR §1180.6 (a) (1) (ii) – Consummation Schedule.

The Parties propose to consummate the transaction on or after February 15, 2009.

49 CFR §1180.6 (a) (1) (iii) – Purpose of the Transaction.

The purpose of this transaction is to simplify Pioneer's corporate structure and reduce overhead costs and duplication by eliminating two corporations while retaining the same assets to serve customers. The transaction will also streamline accounting functions within the Pioneer corporate family.

49 CFR §1180.6 (a) (5) – List of States in Which the Parties' Property is Located.

STR's rail lines are located in Illinois. ALAB's lines and A&F's lines are located in Alabama.

49 CFR §1180.6 (a) (6) – Map - Exhibit A.

Maps showing the location of the lines of STR, ALAB, and A&F are attached as Exhibit A.

49 CFR §1180.6 (a) (7) (ii) – Agreements - Exhibit B.

The proposed transaction will be governed by an agreement among STR, ALAB and A&F. Attached as Exhibit B is a Plan of Consolidation, which, when submitted to the State of Illinois along with the appropriate forms, constitutes legally sufficient authority to engage in the proposed transaction under state corporation law.

49 CFR §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 sections 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under that statute, may not impose labor protective conditions for this transaction. In any event, the Parties do not anticipate that the proposed transaction would have any substantial impact on employees of STR, ALAB, and/or A&F.

49 CFR §1105.6 through 1105.8 – Environmental and Historic Report.

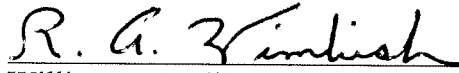
The proposed transaction contemplates a restructuring within the Pioneer corporate family, and no significant operating changes on the rail lines currently operated by STR, ALAB, and A&F will occur as a result of it. For this reason, the transaction is exempt from the requirement to provide environmental documentation pursuant to 49 CFR §1105.6(c)(2),⁶ and a Historic Report

⁶ Regardless, the transaction will not result in STR undertaking operations that would exceed the thresholds at 49 C.F.R. §1105.7(e)(4) or (5).

pursuant to the provisions of 49 CFR §1105.8 also is not required.⁷

Respectfully submitted,

Daniel A. LaKemper
General Counsel
PIONEER RAILCORP
1318 S. Johanson Road
Peoria, IL 61607
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Attorneys for Shawnee Terminal Railroad Co.,
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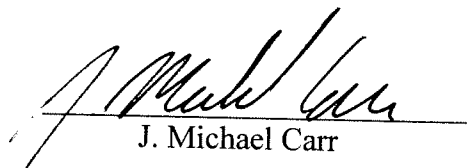
DATED: January 16, 2009

⁷ See 49 CFR §1105.8(b).

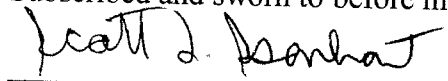
VERIFICATION

STATE OF ILLINOIS)
) ss.
COUNTY OF PEORIA)

J. Michael Carr, being duly sworn, deposes and says that he is President and Chief Executive Officer of Shawnee Terminal Railroad Co., Alabama Railroad Co., and Alabama & Florida Railway Co., Inc., and their parent company, Pioneer Railcorp, and that he has read the foregoing Notice of Exemption, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information, and belief.


J. Michael Carr

Subscribed and sworn to before me this 15th day of January, 2009.

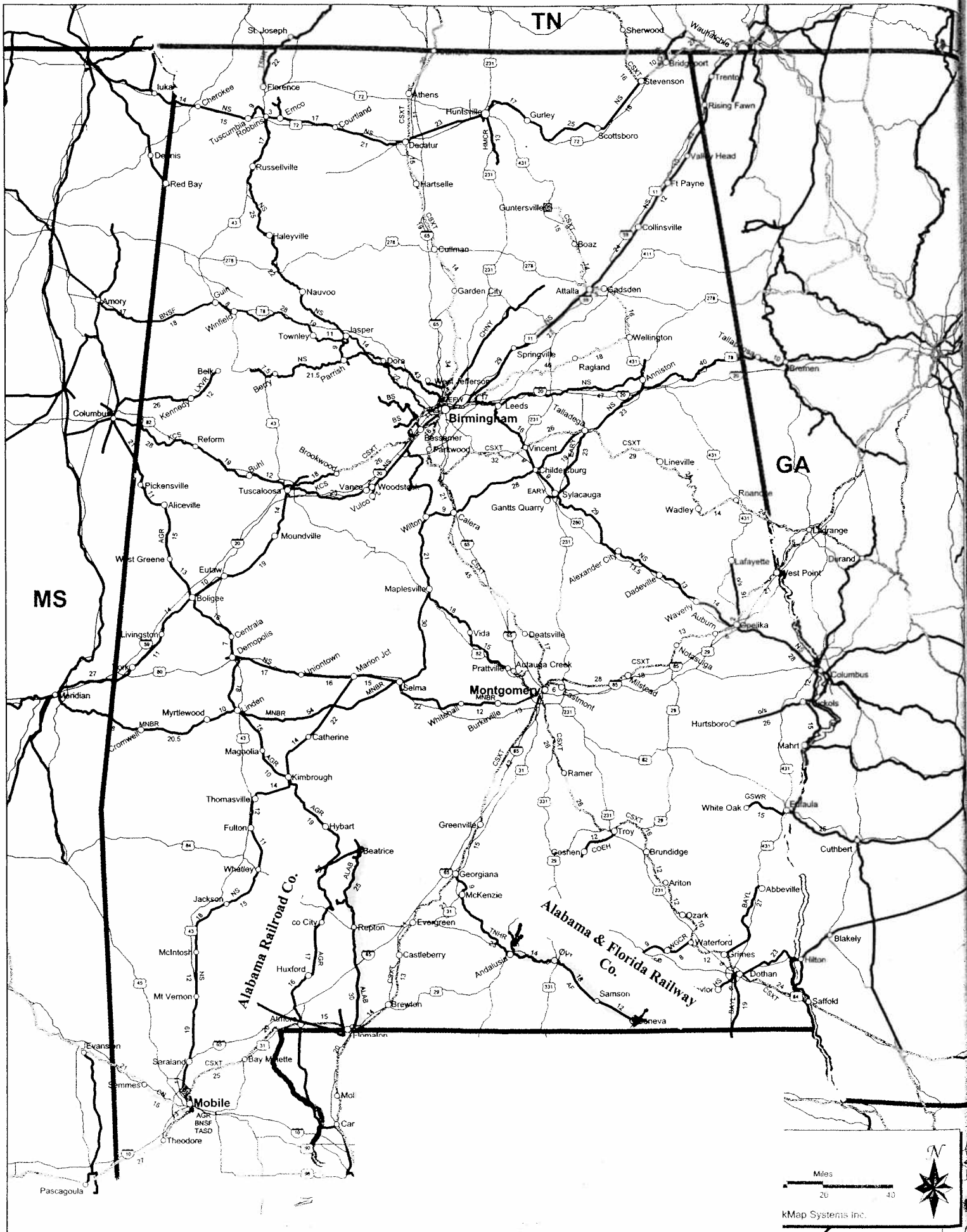


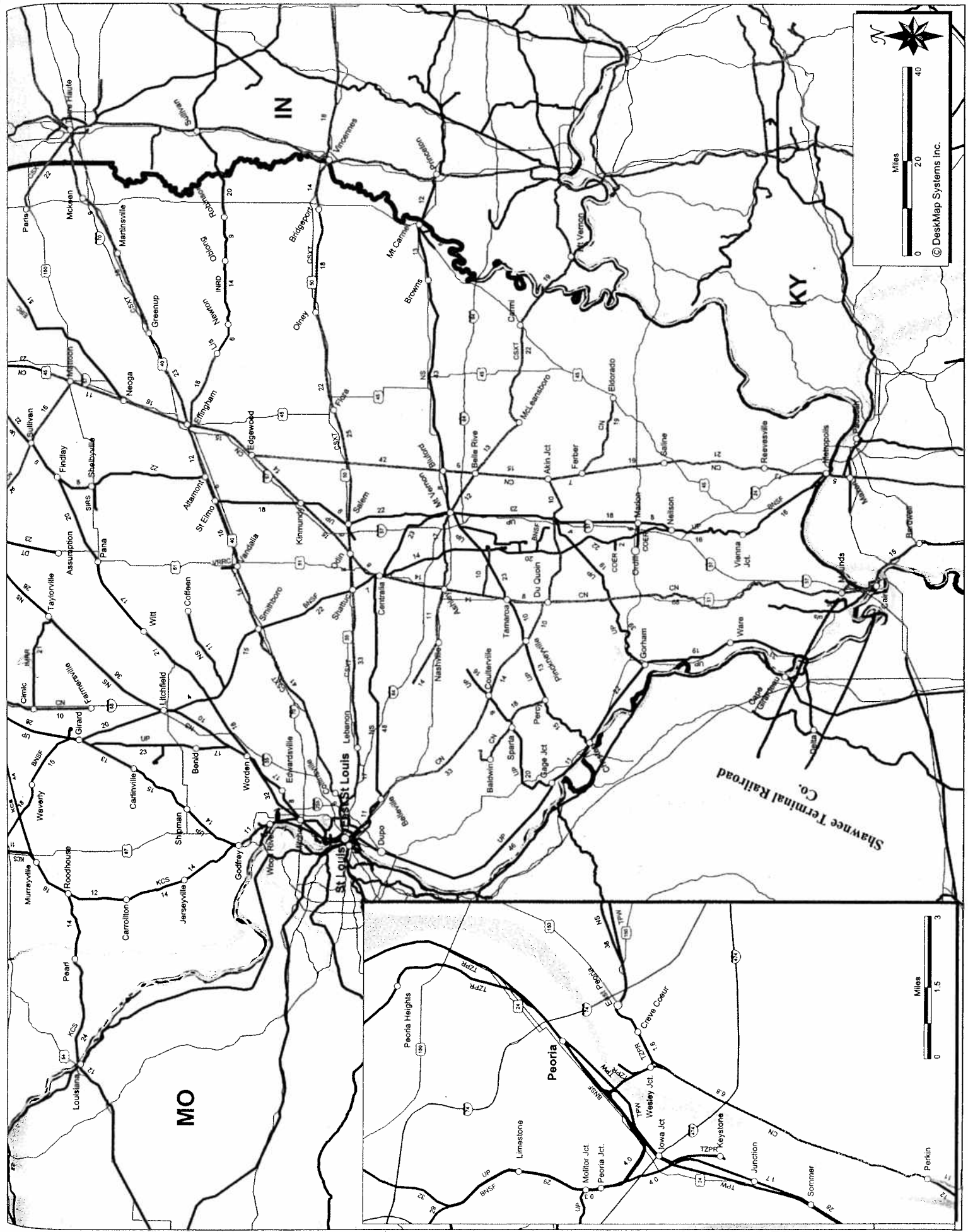
Notary Public

My Commission expires: 5-14-2011



ALABAMA





Plan of Consolidation

Alabama & Florida Railway Co., Inc., an Iowa corporation (“A&F”) and Alabama Railroad Co., an Iowa corporation (“ALAB”), upon the effective date of the Plan, transfer all right, title and interest they have, respectively, in and to, any and all assets (real, personal, intangible and mixed), rights, interests, and privileges, wherever located, including any and all leases, contracts, bank accounts, accounts receivable, mineral rights, licenses, indemnification agreements, rights of first refusal, non-competition agreements, and other rights, to Shawnee Terminal Railroad Co., an Illinois corporation (“STR”). STR, in consideration for and in full satisfaction of said transfer, upon the effective date of the Plan, assumes all obligations, liabilities, debts and duties of A&F and ALAB, and agrees to perform and carry out such obligations as its own.

All common shares of A&F and ALAB shall, upon the effective date of this Plan, be cancelled. All preferred shares of A&F and ALAB shall, upon the effective date of the Plan, be exchanged for a like number of the preferred shares of STR. Such exchange shall occur on the effective date as a matter of law, regardless of when or if such shares certificates are tendered for exchange. All A&F and ALAB preferred share certificates shall remain valid as preferred shares of STR, until exchanged, or until the Board of Directors otherwise directs, and preferred shareholders of A&F and ALAB will continue to be entitled to their dividends, without interruption, as if they had been issued STR preferred share certificates on the effective date of the Plan.

7. Complete if reporting a merger under §11.30 — 90 percent-owned subsidiary provisions.

- a. The number of outstanding shares of each class of each merging subsidiary Corporation and the number of such shares of each class owned immediately prior to the adoption of the plan of merger by the parent Corporation:

Name of Corporation	Total Number of Shares Outstanding of Each Class	Number of Shares of Each Class Owned Immediately Prior to Merger by the Parent Corporation
Shawnee Terminal Railroad Co.	100 common	100 common
Alabama Railroad Co.	300,000 common	300,000 common
Alabama Railroad Co.	3xx non-voting preferred	x non-voting preferred
Alabama & Florida Railway Co., Inc.	15,000,000 common	15,000,000 common
Alabama & Florida Railway Co., Inc.	3xx non-voting preferred	x non-voting preferred

b. Not applicable to 100 percent-owned subsidiaries.

The date of mailing a copy of the plan of merger and notice of the right to dissent to the shareholders of each merging subsidiary Corporation was N/A
 Month & Day Year

Was written consent for the merger or written waiver of the 30-day period by the holders of all the outstanding shares of all subsidiary Corporations received? ☐ Yes ☐ No

(If "No," duplicate copies of the Articles of Merger may not be delivered to the Secretary of State until after 30 days following the mailing of a copy of the plan of merger and the notice of the right to dissent to the shareholders of each merging subsidiary Corporation.)

8. The undersigned Corporation has caused this statement to be signed by a duly authorized officer who affirms, under penalties of perjury, that the facts stated herein are true and correct. All signatures must be in BLACK INK.

Dated January 21
 Month & Day Year

Shawnee Terminal Railroad Co.
 Exact Name of Corporation

Any Authorized Officer's Signature

Scott L. Isonhart, Secretary

Name and Title (type or print)

Dated January 21
 Month & Day Year

Alabama & Florida Railway Co., Inc.
 Exact Name of Corporation

Any Authorized Officer's Signature

J. Michael Carr, President

Name and Title (type or print)

Dated January 21
 Month & Day Year

Alabama Railroad Co.
 Exact Name of Corporation

Any Authorized Officer's Signature

J. Michael Carr, President

Name and Title (type or print)

- merger
5. The consolidation exchange was approved, as to each Corporation not organized in Illinois, in compliance with the laws of the state under which it is organized, and (b) as to each Illinois Corporation, as follows:

The following items are not applicable to mergers under §11.30 — 90 percent-owned subsidiary provisions. (See Article 7 on page 3.)

Mark an "X" in one box only for each Illinois Corporation.

Name of Corporation:	By the shareholders, a resolution of the board of directors having been duly adopted and submitted to a vote at a meeting of shareholders. Not less than the minimum number of votes required by statute and by the Articles of Incorporation voted in favor of the action taken. (§11.20)	By written consent of the shareholders having not less than the minimum number of votes required by statute and by the Articles of Incorporation. Shareholders who have not consented in writing have been given notice in accordance with §7.10 and §11.20.	By written consent of ALL shareholders entitled to vote on the action, in accordance with §7.10 and §11.20.
Shawnee Terminal Railroad Co	☐	☐	☒
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐

6. Not applicable if surviving, new or acquiring Corporation is an Illinois Corporation.

It is agreed that, upon and after the filing of the Articles of Merger, Consolidation or Exchange by the Secretary of State of the State of Illinois:

- The surviving, new or acquiring Corporation may be served with process in the State of Illinois in any proceeding for the enforcement of any obligation of any Corporation organized under the laws of the State of Illinois which is a party to the merger, consolidation or exchange and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such Corporation organized under the laws of the State of Illinois against the surviving, new or acquiring Corporation.
- The Secretary of State of the State of Illinois shall be and hereby is irrevocably appointed as the agent of the surviving, new or acquiring Corporation to accept service of process in any such proceedings, and
- The surviving, new or acquiring Corporation will promptly pay to the dissenting shareholders of any Corporation organized under the laws of the State of Illinois which is a party to the merger, consolidation or exchange the amount, if any, to which they shall be entitled under the provisions of The Business Corporation Act of 1983 of the State of Illinois with respect to the rights of dissenting shareholders.

