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*a professional limited
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April 17, 2002

BY FEDERAL EXPRESS

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

**Re: Finance Docket No. 34177
Iowa, Chicago, and Eastern Railroad Corporation – Acquisition
and Operation Exemption – Rail Lines of I&M Rail Link, L.L.C.**

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Statement of William G. Jungbauer in Opposition to the Proposed Acquisition and Operation Exemption Regarding the Rail Lines of the I&M Rail Link** dated April 17, 2002.

Should any questions arise regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

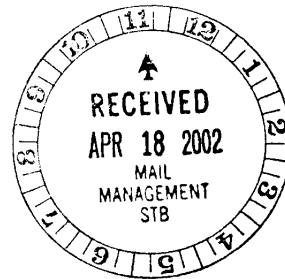
**YAEGER, JUNGBAUER, BARCZAK
& VUCINOVICH, PLC.**

A handwritten signature in black ink that reads 'William G. Jungbauer' followed by a stylized monogram 'jh'.

William G. Jungbauer
WGJ:jh
Encl.

BEFORE THE
SURFACE TRANSPORTATION BOARD

905210
FINANCE DOCKET NO. 34177



IOWA, CHICAGO, AND EASTERN RAILROAD CORPORATION
– ACQUISITION AND OPERATION EXEMPTION –
RAIL LINES OF I&M RAIL LINK, L.L.C.

**VERIFIED STATEMENT
OF
WILLIAM G. JUNGBAUER
IN OPPOSITION TO THE PROPOSED ACQUISITION AND
OPERATION EXEMPTION REGARDING THE
RAIL LINES OF THE I&M RAIL LINK**

1. I am the lead attorney for Richard T. Slone, Randall Buck and Richard Bell with regard to Federal Employers' Liability Act ("FELA") claims they have against the I&M Rail Link, L.L.C.
2. I am writing to specifically object to the proposed Acquisition and Operation Exemption being sought by the Iowa, Chicago, and Eastern Railroad Corporation with regard to the rail lines of the I&M Rail Link.
3. Recently one of my partners attended a mediation with the I&M Rail Link, wherein counsel for the Defendant indicated that the I&M Rail Link had no down-side risk to taking the case to trial. If a judgment was entered against the I&M Rail Link, the I&M Rail Link would declare bankruptcy, because the proposed sale by the I&M to the Iowa, Chicago, and Eastern Railroad Corporation is an assets-only sale and does not include FELA liabilities.
4. Since that time, I have sought the depositions of both the president of I&M Rail Link

and the president of the Dakota, Minnesota & Eastern Railroad Corporation, who wholly-owns Cedar American Rail Holdings, Inc. Cedar American Rail Holdings, Inc. holds 100% of the stock of the Iowa, Chicago & Eastern. In order to verify the nature of the transaction and whether the transaction separates the assets of the I&M Rail Link from the FELA claims made against I&M Rail Link, the depositions of both presidents are required.

5. My clients' claims have significant value and the proposed assets-only sale by the I&M Rail Link appears to be an attempt to avoid their FELA obligations to its seriously injured employees. The claims of these three clients include litigation involving a leg amputation (Slone), knee injury and blindness (Buck) and a crushed leg (Bell).

6. I have been advised that the I&M Rail Link does not carry insurance coverage for the first \$1,000,000 of liabilities and expenses on each FELA claim made, and I am uncertain regarding additional excess insurance.

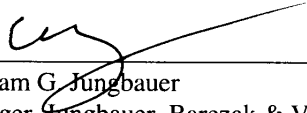
7. My concern is that if the assets are separated from the FELA claims through an assets-only sale, the limited liability corporation might then declare bankruptcy to avoid its FELA obligation to its own injured employees.

8. I believe that the Surface Transportation Board should closely scrutinize its apparent intention to create a new railroad in order to avoid its liabilities to the employees whose sweat and toil financed the accumulation of the assets that they are selling. Congress never intended this situation and justice should not permit it.

9. On behalf of my clients, I respectfully request that the Surface Transportation Board delay any proposed sale between the I&M Rail Link and the Iowa, Chicago & Eastern until it can be determined whether the I&M Rail Link is attempting to fraudulently convey assets to avoid FELA

liabilities. If the I&M Rail Link intends to honor its obligations to its injured employees under the FELA, I ask the Surface Transportation Board to advise us of the timetable for any approval of the transaction and to allow sufficient time for the injured employees of the I&M Rail Link to take sworn testimony in their FELA cases in order to provide sworn testimony to the Surface Transportation Board for the Board's consideration.

10. If the Surface Transportation Board fully intends to approve an assets-only sale, my above-named clients respectfully request that the Board require the I&M Rail Link and/or Iowa, Chicago & Eastern to post a bond that will fully satisfy the FELA obligations to these specific individuals.

By: 

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**ATTORNEYS FOR PLAINTIFFS
RICHARD SLONE, RANDALL BUCK AND
RICHARD BELL**

Dated: April 17, 2002