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**BEFORE THE
SURFACE TRANSPORTATION BOARD**



VERIFIED NOTICE OF EXEMPTION

FILED

OCT 25 2002

S.T.B. FINANCE DOCKET NO. 34273

TRANSPORTATION BOARD

**BRANCH AND ST. JOSEPH COUNTIES
RAIL USERS ASSOCIATION, INC.
THE INDIANA NORTHEASTERN RAILROAD COMPANY
CHANGE OF OPERATORS**

ENTERED
Office of Proceedings

OCT 25 2002

Part of
Public Record

FILE RECEIVED

OCT 25 2002

**SURFACE
TRANSPORTATION BOARD**

DATED: October 25, 2002

**Charles R. Bappert
BIRINGER, HUTCHINSON, LILLIS &
BAPPERT, P.C.
100 West Chicago Street
Coldwater, MI 49036-1897
Phone: 517-279-9745
Facsimile: 517-278-7844
Attorney for Branch And St. Joseph
Counties Rail Users Association, Inc.**

**Carl M. Miller
618 Professional Park Drive
P.O. Box 332
New Haven, IN 46774
Phone: 260-749-5858
Facsimile: 260-493-7619
Attorney for Indiana Northeastern
Railroad Company**

BEFORE THE
SURFACE TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

S.T.B. FINANCE DOCKET NO. 34273

**BRANCH AND ST. JOSEPH COUNTIES
RAIL USERS ASSOCIATION, INC.
THE INDIANA NORTHEASTERN RAILROAD COMPANY
CHANGE OF OPERATORS**

The Branch and St. Joseph Counties Rail User Association, Inc., as owner of the rail line subject to this Notice, and the Indiana Northeastern Railroad Company, a Class III rail carrier, file this Verified Notice of Exemption pursuant to 49 CFR § 1150.41(c).

In support of their Notice, the parties submit the following information as required by 49 CFR § 1150.43.

- (a) The full name and address of the Class III applicant is:

The Indiana Northeastern Railroad Company
P.O. Box 262
Hillsdale, Michigan 49242

- (b) The name, address, and telephone number of the representative of the applicant who should receive correspondence is:

Attorney for Branch and St. Joseph Counties Rail Users Association, Inc.:

Charles R. Bappert
BIRINGER, HUTCHINSON, LILLIS & BAPPERT, P.C.
100 West Chicago Street
Coldwater, Michigan 49036
517-279-9745

Attorney for the Indiana Northeastern Railroad Company:

Carl M. Miller
618 Professional Park Drive
P.O. Box 332
New Haven, Indiana 46774
260-749-5858

(c) An Agreement has been reached between the Branch and St. Joseph Counties Rail Users Association, Inc., as owner of the rail line; Michigan Southern Railroad Company, Inc., Michigan Southern Railroad Company f/k/a The Wabash & Western Railroad Company (collectively "Michigan Southern") and The Indiana Northeastern Railroad Company for all operating rights of Michigan Southern between MP 382.5, near Coldwater, Michigan, and MP 406.84, near Sturgis, Michigan, to be transferred to the Indiana Northeastern Railroad Company upon the effective date of this Notice.

(d) The operator of the property will be the Indiana Northeastern Railroad Company.

(e) A brief summary of the proposed transaction:

(1) The name and address of the railroad presently operating the rail line is:

Michigan Southern Railroad Company
f/k/a Wabash & Western Railroad Company
Michigan Southern Railroad Company, Inc.
1318 S. Johanson Rd.
Peoria, Illinois 61607

The name and address of the railroad which will operate the line upon the effective date of this notice is:

Indiana Northeastern Railroad Company
50 Monroe Street
P.O. Box 262
Hillsdale, Michigan 49242

The name and address of the owner of the rail line on which this change of operators applies is:

Branch and St. Joseph Counties Rail Users Association, Inc.
c/o Charles R. Bappert
BIRINGER, HUTCHINSON, LILLIS & BAPPERT, P.C.
Century Bank and Trust Building
100 West Chicago Street
Coldwater, Michigan 49036

(2) The transaction will be consummated on November 1, 2002, or as soon thereafter as this Verified Notice of Exemption becomes effective.

(3) Branch and St. Joseph Counties Rail Users Association, Inc. owns the rail line between MP 376.56 near Quincy, Michigan, to MP 406.84 near Sturgis, Michigan. The segment between MP 376.56 and MP 386.96 is presently operated by Indiana Northeastern Railroad Company. The segment between MP 382.5 and MP 406.84, which is the subject of this Notice is presently operated by Michigan Southern. The segment between MP 382.5 and 386.96 is presently jointly operated by Indiana Northeastern and Michigan Southern.

(4) The total route miles subject to this Notice are twenty-four and thirty-four one-hundredths (24.34) all in Branch and St. Joseph Counties, Michigan.

(f) A map that clearly indicates the area to be served, including origins, terminals, stations, cities, counties and states is attached hereto, made a part hereof and marked as Exhibit A.

(g) A certificate that the applicant's revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under §1150.45 is contained within the Verification of Gale Shultz which is attached to and made a part of this Verified Notice of Exemption.

(h) A Caption Summary is attached to this Notice.

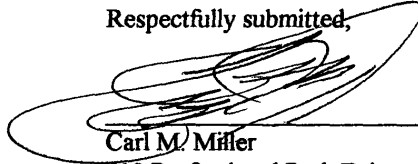
(i) Pursuant to 49 CFR §1105.6(c)(2), no environmental documentation is required by the action described in this Notice.

(j) Pursuant to 49 CFR §1105.8(b)(1)(2), no historic report is required by the action described in this Notice.

(k) The action described in this Notice does not affect land or water uses within a state coastal zone designated pursuant to the Coastal Zone Management Act.

- (l) All affected shippers will be served with a copy of this Notice.

Respectfully submitted,



Carl M. Miller
618 Professional Park Drive
P.O. Box 332
New Haven, IN 46774
Phone: 260-749-5858
Facsimile: 260-493-7619
Attorney for Indiana Northeastern Railroad Company

Charles R. Bappert
BIRINGER, HUTCHINSON, LILLIS &
BAPPERT, P.C.
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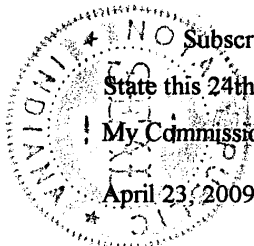
STATE OF INDIANA)
) SS:
COUNTY OF LAGRANGE)

GALE SHULTZ, being first duly sworn upon his oath, alleges and says:

1. He is the duly elected, authorized and acting President of INDIANA
NORTHEASTERN RAILROAD COMPANY.
2. He is personally familiar with the representations made in the Verified Notice of
Exemption and believes them to be true to the best of his knowledge, information and belief.
3. The marginal projected annual revenues as a result of the proposed transaction will be
less than One Million Dollars (\$1,000,000.00). The combined projected annual revenues of the
Indiana Northeastern Railroad Company subsequent to exercise of the authority described in this
Notice will be less than Five Million Dollars (\$5,000,000.00).

FURTHER AFFIANT SAYETH NAUGHT.

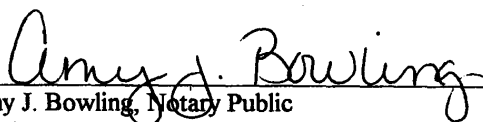

GALE SHULTZ



Subscribed and sworn to before me, the undersigned Notary Public, in and for said County and
State this 24th day of October, 2002.

My Commission Expires:

April 23, 2009


Amy J. Bowling, Notary Public
(Resident of Allen County, Indiana)

P. O. BOX 262 • 50 MONROE ST. • HILLSDALE, MICHIGAN 49242



Mainline Rail Network Extending Over 100 Miles

Administrative Offices-South Milford 260-351-2421 Fax: 351-3350
Operating Offices-Hillsdale 517-439-4677 Fax: 439-0222

Railroad System Map

0 1 2 3 4 5
Approx. Scale
Distance in Miles

MAP NOT TO EXACT SCALE

— Indiana Northeastern Trackage

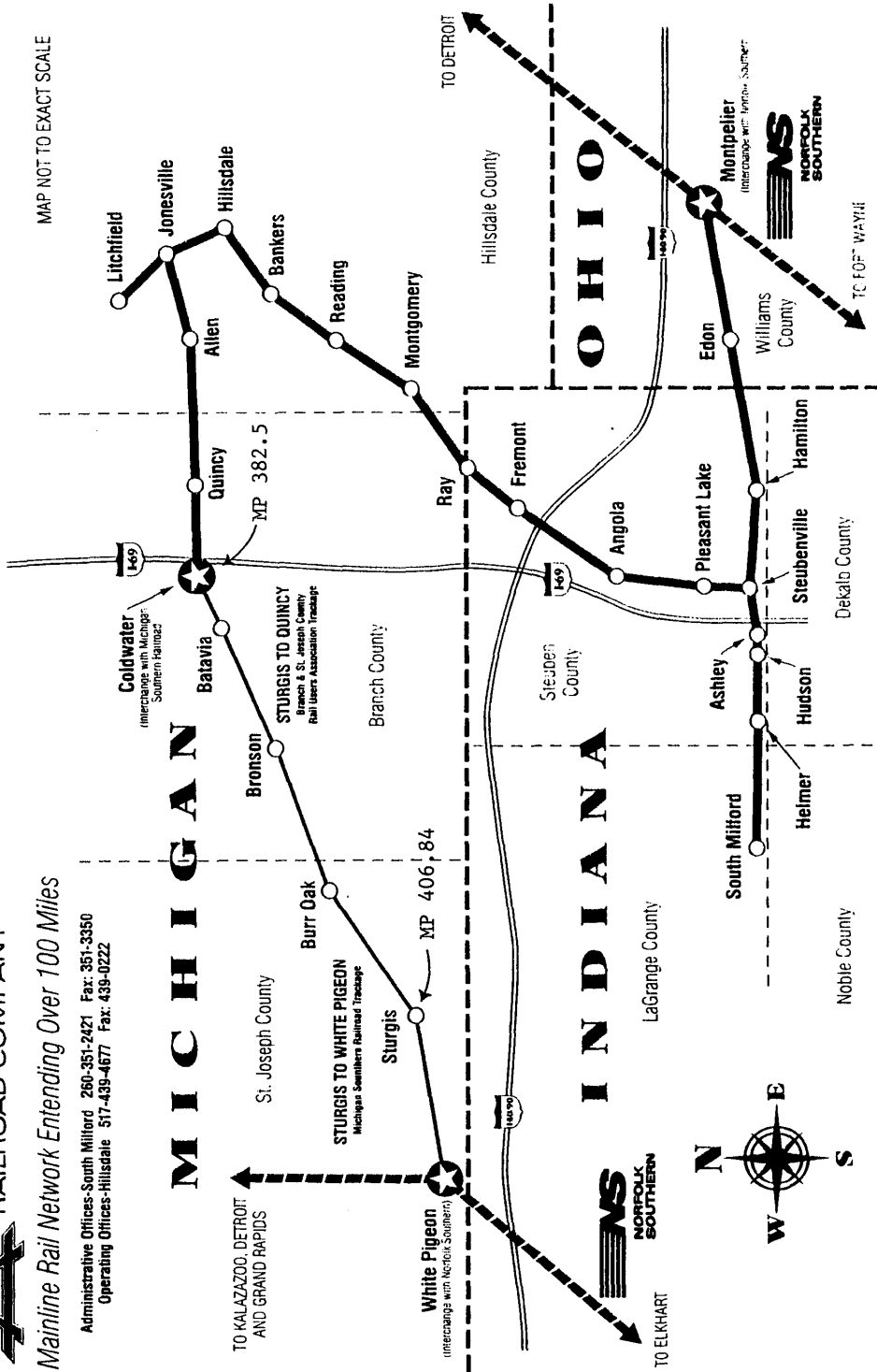
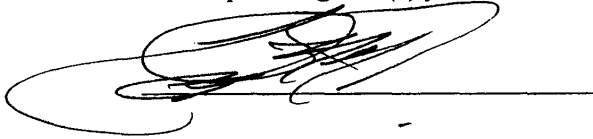


EXHIBIT A

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Verified Notice of Exemption was deposited in the United States mail, first class, postage prepaid, and addressed to Michigan Southern Railroad Company, 1318 S. Johanson Road, Peoria, Illinois 61607 and to each person or entity known to have shipped or received freight on the rail line within the preceding two (2) years.

Dated: October 24, 2002

A handwritten signature in black ink, consisting of several loops and strokes, positioned above a horizontal line.

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SURFACE TRANSPORTATION BOARD**

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S.T.B. FINANCE DOCKET NO. 34273

**BRANCH AND ST. JOSEPH COUNTIES
RAIL USERS ASSOCIATION, INC.
THE INDIANA NORTHEASTERN RAILROAD COMPANY
CHANGE OF OPERATORS**

The Indiana Northeastern Railroad Company and the Branch and St. Joseph Counties Rail Users Association, Inc. have filed a Verified Notice of Exemption for a change in operators on the line of railroad owned by Rail Users extending from MP 382.5 near Coldwater, Michigan, to MP 406.84 near Sturgis, Michigan, in Branch and St. Joseph Counties, Michigan.

Comments must be filed with the Board and served on petitioners' representatives:

Carl M. Miller
618 Professional Park Drive
P.O. Box 332
New Haven, Indiana 46774
Phone: 260-749-5858
Facsimile: 260-493-7619

Charles R. Bappert
BIRINGER, HUTCHINSON, LILLIS
& BAPPERT, P.C.
Century Bank & Trust Bldg.
100 W. Chicago Street
Coldwater, Michigan 49036-1897
Phone: 517-279-9745
Facsimile: 517-278-7844

The notice is filed under 49 CFR § 1150.41. 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.