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January 29, 2008

Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423



RE. Finance Docket No. 35118, *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp - Continuance-in-Control Exemption - Sacramento Valley Railroad, Inc.*

Dear Secretary Williams

Enclosed for filing are the original and 10 copies of a Verified Notice of Exemption under 49 C.F.R. 1180.2(d)(2), a check covering the \$1,100.00 filing fee, 20 additional maps, and a CD with the file Notice of Exemption.

Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger. Thank you for your assistance.

If you have any questions, please call or email me.

Sincerely yours

FEE RECEIVED

JAN 29 2008

**SURFACE
TRANSPORTATION BOARD**

Louis E. Gitomer

Attorney for Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp

Enclosures

ENTERED
Office of Proceedings

JAN 29 2008

Part of
Public Record

FILED

JAN 29 2008

**SURFACE
TRANSPORTATION BOARD**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 35118

**PATRIOT RAIL, LLC, PATRIOT RAIL HOLDINGS LLC, AND PATRIOT RAIL CORP
-CONTINUANCE-IN-CONTROL EXEMPTION-
SACRAMENTO VALLEY RAILROAD, INC**

VERIFIED NOTICE OF EXEMPTION

**Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer
600 Baltimore Avenue
Suite 301
Towson, MD 21204
(202) 466-6532**

**Attorney for PATRIOT RAIL, LLC,
PATRIOT RAIL HOLDINGS LLC
and PATRIOT RAIL CORP.**

Dated January 29, 2008

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No 35118

**PATRIOT RAIL, LLC, PATRIOT RAIL HOLDINGS LLC, AND PATRIOT RAIL CORP.
-CONTINUANCE-IN-CONTROL EXEMPTION-
SACRAMENTO VALLEY RAILROAD, INC**

VERIFIED NOTICE OF EXEMPTION

Patriot Rail, LLC ("PRL") and its subsidiaries Patriot Rail Holdings LLC ("PRH") and Patriot Rail Corp ("Patriot"), pursuant to 49 C.F.R. §§ 1180.2(d)(2) and 1180.4(g), file this Verified Notice of Exemption with the Surface Transportation Board (the "Board") from the prior approval requirements of 49 U.S.C. §§ 11323-11325. This Verified Notice of Exemption is being filed to permit PRL, PRH, and Patriot to continue-in-control of the Sacramento Valley Railroad, Inc ("SAVR") once it becomes a rail carrier upon authorization to operate a rail line in California that is owned by the McClellan Business Park LLC

a. 1180.6(a)(1)(i). A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

Patriot Rail, LLC and Patriot Rail Holdings LLC, One Boca Place, 2255 Glades Road, Suite 342W, Boca Raton, FL 33431, (561) 443-5300, through Patriot Rail Corp, control SAVR

SAVR, One Boca Place, 2255 Glades Road, Suite 342W, Boca Raton, FL 33431, (561) 443-5300, is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. § 1150.31, et seq. to obtain the exclusive occupancy and operating rights over seven miles of unmarked railroad track within McClellan Business Park, in McClellan, Sacramento County, CA

(the "Line") Finance Docket No 35117, *Sacramento Valley Railroad, Inc —Operation Exemption—McClellan Business Park*

Upon acquiring the right to operate over the Line, SAVR will become a rail carrier. Therefore, PRL, PRH, and Patriot have filed this notice of exemption to continue-in-control of SAVR once it becomes a rail carrier

This is a transaction where SAVR will not connect with any of subsidiary railroads of PRL, PRH, and Patriot, where the acquisition of SAVR is not intended to connect with any railroads in the corporate family of PRL, PRH, and Patriot, and where a class I carrier is not involved. It meets the requirements of 49 C F R. § 1180.2(d)(2)(2)

All of the railroads controlled by PRL, PRH, and Patriot are Class III railroads. The Line to be acquired by SAVR is described above. The properties of SAVR and the subsidiaries of PRL, PRH, and Patriot do not connect. SAVR is located in McClellan, Sacramento County, CA. The Tennessee Southern Railroad Company ("TSRR") is a class III rail carrier whose lines are located in Tennessee and Alabama. Rarus Railway Company ("Rarus") is a class III rail carrier whose lines are located in Montana. The Utah Central Railway Company ("UCRY") is a class III rail carrier whose lines are located in Utah.

PRL is a non-carrier limited liability company that owns 51% of the equity interests in Patriot Rail Holdings LLC, which owns 100% of the stock of Patriot. Patriot is a non-carrier holding company that owns 100% of the stock of the TSRR, which was acquired in November 2006. Patriot also owns 100% of the stock of Patriot Rarus Acquisition Corp., which acquired 100% of the outstanding stock of Rarus in April 2007. Patriot owns 100% of the outstanding stock of UCRY, which was acquired in January 2008.

Counsel to whom questions concerning the transaction can be addressed is Louis E Gitomer, Esq., Law Offices of Louis E Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (202) 466-6532

b 1180.6(a)(1)(ii). The proposed time schedule for consummation of the proposed transaction

SAVR intends to commence operations over the Line on or about March 1, 2008 PRL, PRH, and Patriot own the stock of SAVR and will continue-in-control of SAVR upon SAVR commencing operations over the Line

c 1180.6(a)(1)(iii). The purpose sought to be accomplished by the proposed transaction, e g , operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants

The management of PRL, PRH, and Patriot has successfully managed short line railroads for more than a decade PRL, PRH, and Patriot intend to use their management's experience and expertise in operating short line railroads and its purchasing power to affect operating efficiencies for SAVR, to improve service to shippers on the Line, and to create a financially viable railroad in SAVR

d 1180.6(a)(5). A list of the State(s) in which any part of the property of each applicant carrier is situated.

TSRR operates in the States of Tennessee and Alabama Rarus operates in the State of Montana UCRY operates in the State of Utah SAVR will operate in the State of California

e 1180.6(a)(6) Map (Exhibit A). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed If a geographically limited transaction is proposed, a map detailing the transaction should also be included In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board

See Exhibit A

f 1180.6(a)(7)(ii). Agreement (Exhibit B) Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction

SAVR, as a non-carrier, is controlled by PRL, PRH, and Patriot There is no agreement between SAVR and PRL, PRH, and Patriot.

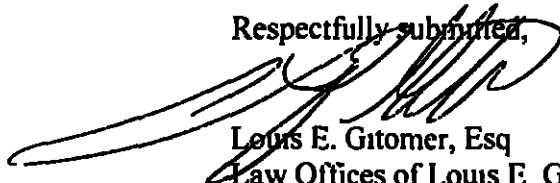
g Labor Protection.

UCRY, TSRR and Rarus are all class III railroads SAVR will become a class III railroad As such, under 49 U S C § 11326(c), labor protection does not apply to this transaction

h Environmental and Historical documentation.

This transaction qualifies for classification under 49 C F R §1105 6(c)(2) and thus neither an Environmental Report nor a Historic Report is required to be filed

Respectfully submitted,



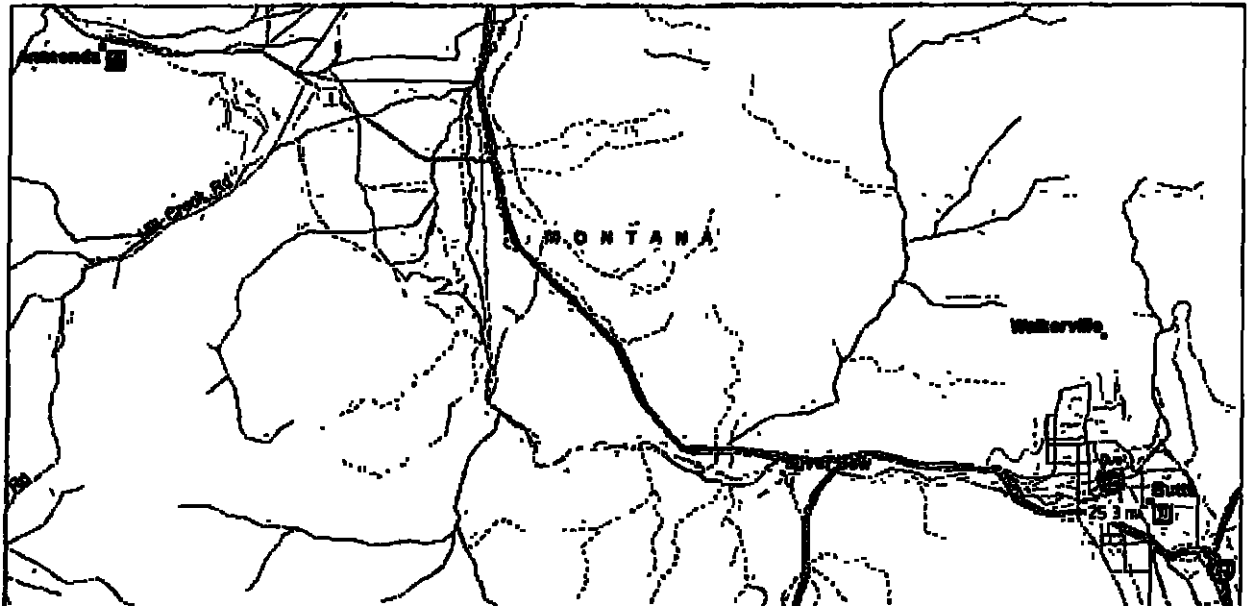
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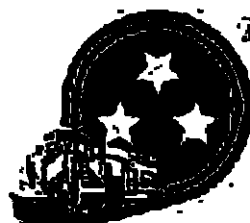
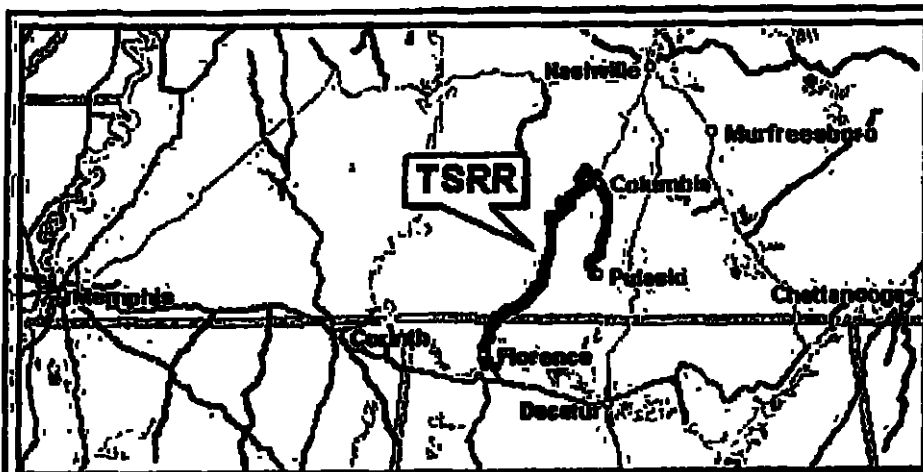
Attorney for PATRIOT RAIL, LLC,
PATRIOT RAIL HOLDINGS LLC,
and PATRIOT RAIL CORP.

Dated January 29, 2008

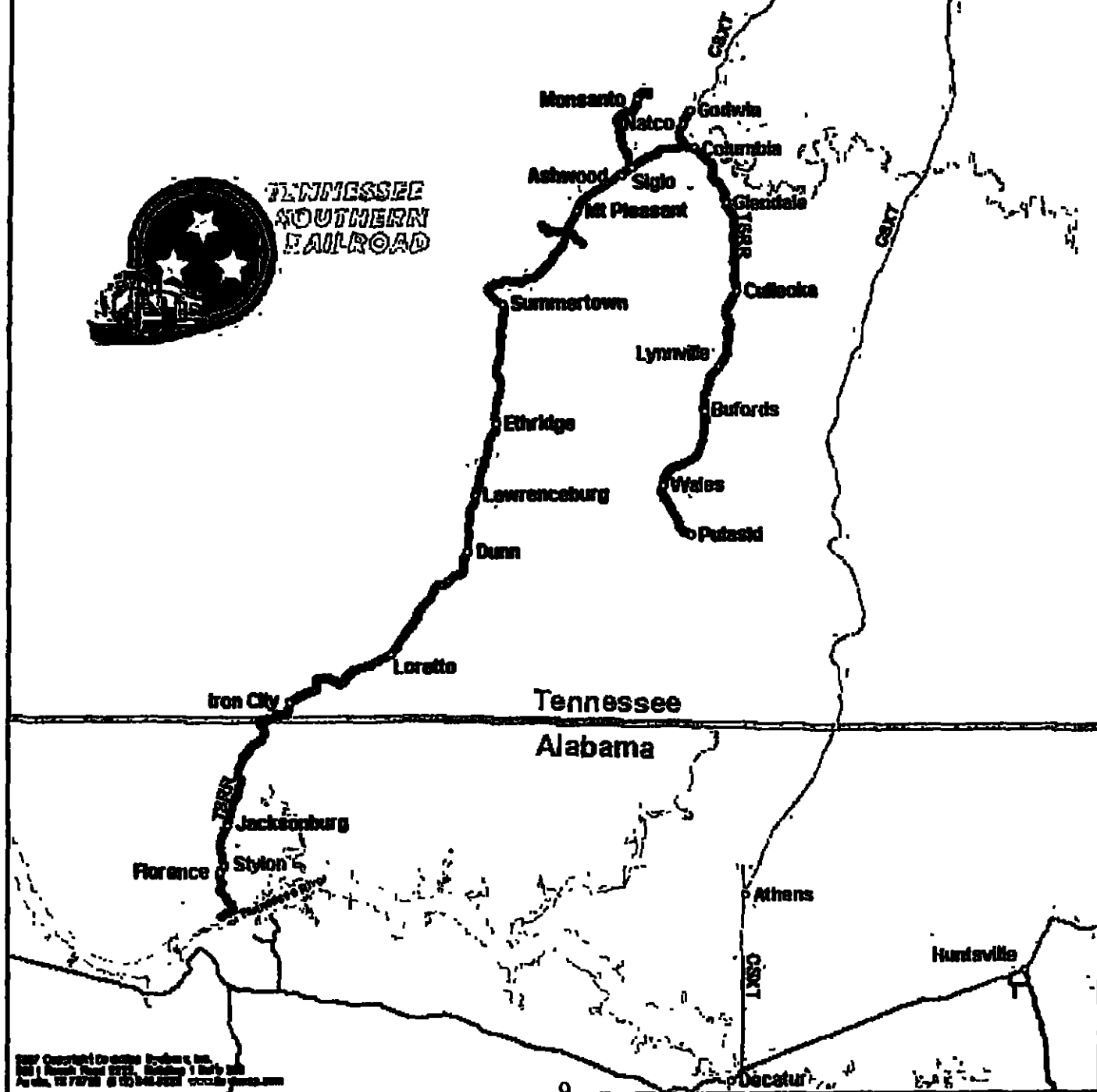
EXHIBIT A-MAPS

A map of the Rarus Railway Company, which is in yellow.

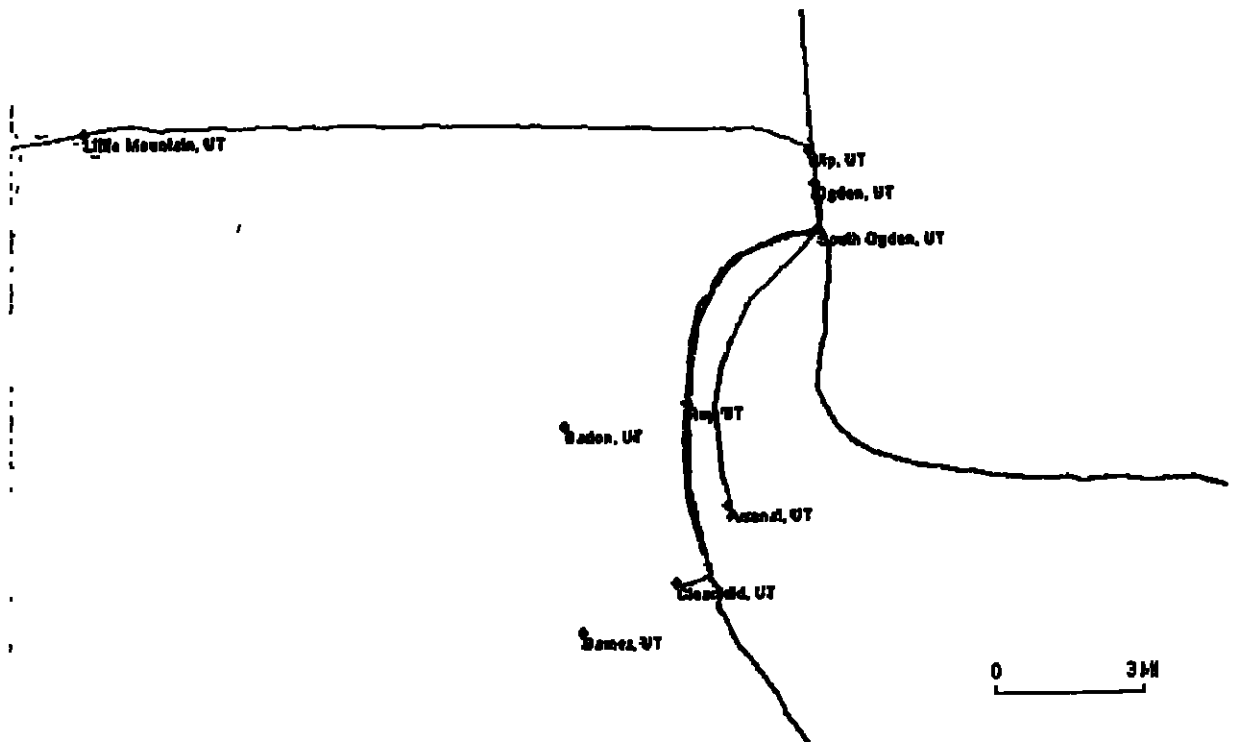


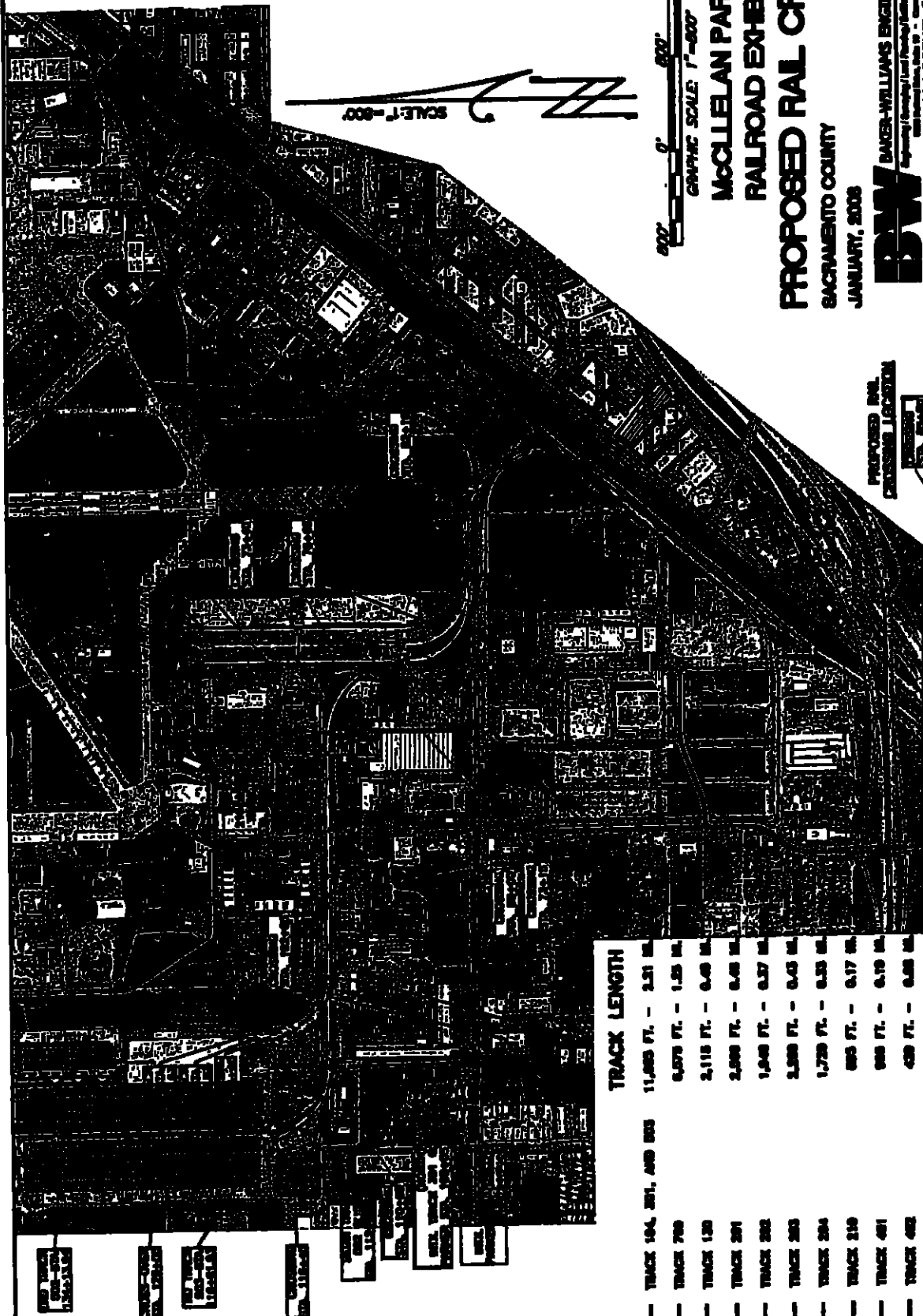


**TENNESSEE
SOUTHERN
RAILROAD**



Utah Central rail line noted in green





SCALE: 1"=800'

0' 800' 1600'

GRAPHIC SCALE: 1"=800'

MCCLELLAN PARK
RAILROAD EXHIBIT

PROPOSED RAIL CROSSING
SACRAMENTO COUNTY
JANUARY, 2008
CALIFORNIA
SCALE: 1"=800'

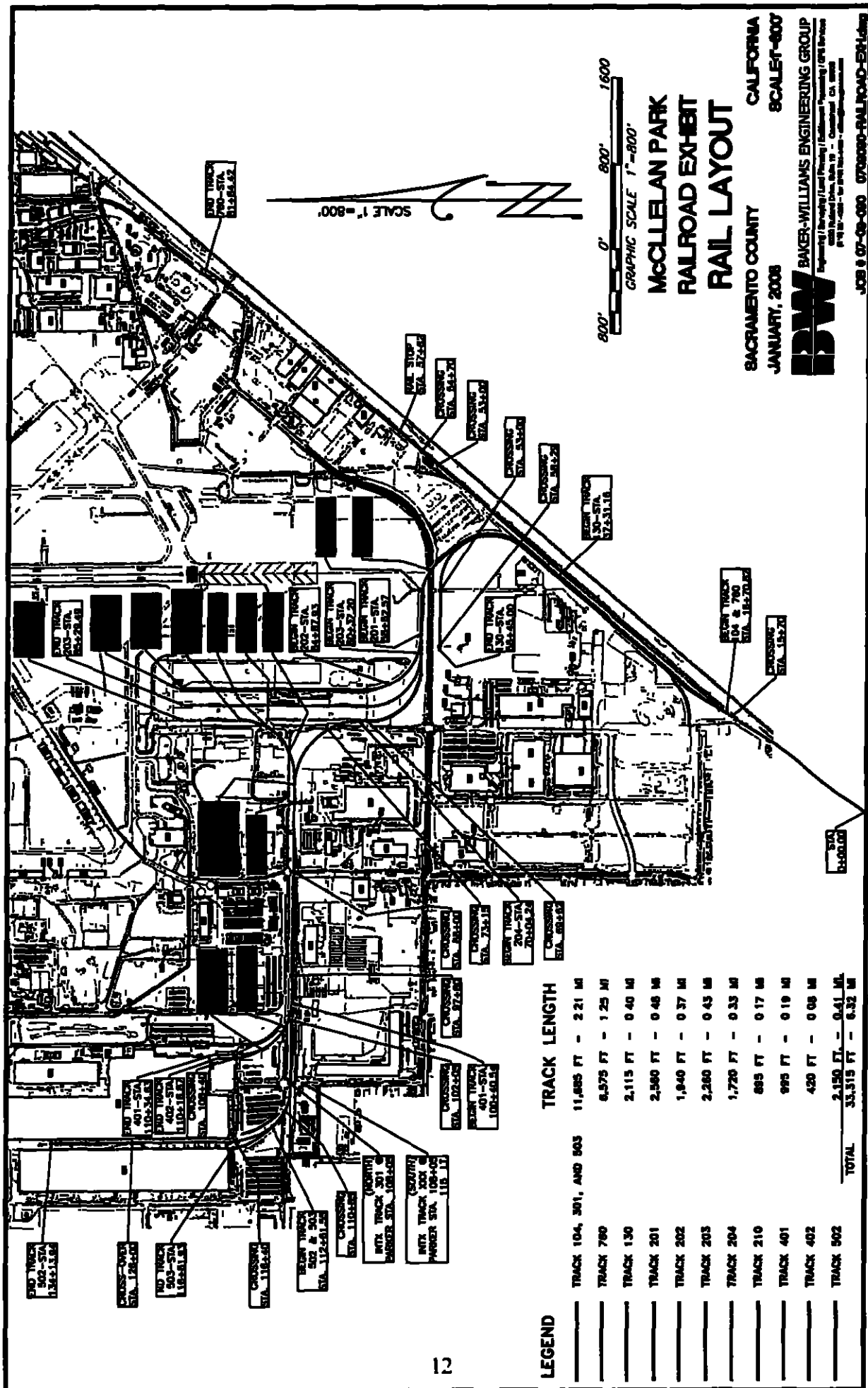
PROPOSED RAIL
CROSSING LOCATION

BW

BAKER-WILLIAMS ENGINEERING GROUP
Engineering / Surveying / Land Planning / Environmental Planning / GIS Services
1000 North Main Street, Suite 100 - Sacramento, CA 95811
Phone: (916) 441-1000 - Fax: (916) 441-1001 - www.bakerwilliams.com

JOB # 07-09-009 070909-000 RAILROAD EXHIBIT

LEGEND	TRACK LENGTH	
	TRACK 104, 301, AND 303	11,885 FT. - 3.51 MI.
TRACK 700		6,570 FT. - 1.25 MI.
TRACK 130		2,115 FT. - 0.40 MI.
TRACK 301		2,800 FT. - 0.45 MI.
TRACK 302		1,840 FT. - 0.37 MI.
TRACK 303		2,300 FT. - 0.43 MI.
TRACK 304		1,720 FT. - 0.33 MI.
TRACK 310		895 FT. - 0.17 MI.
TRACK 401		900 FT. - 0.19 MI.
TRACK 402		420 FT. - 0.08 MI.
TRACK 502		2,150 FT. - 0.41 MI.
TOTAL	23,915 FT. - 4.52 MI.	

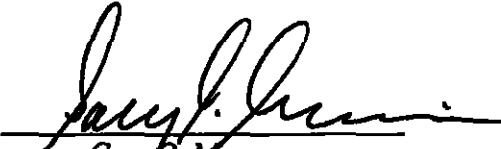


**EXHIBIT B—AGREEMENT
NONE**

VERIFICATION

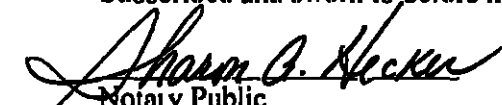
State of Florida)
) ss
County of Palm Beach)

Gary O Marino, being duly sworn, deposes and says that he is President and Chief Executive Officer of Patriot Rail Corp., a Delaware corporation, and that he has read the foregoing, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief



Gary O. Marino

Subscribed and sworn to before me this 28th day of January 2008.



Notary Public

My Commission expires. Nov. 29, 2011



CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 35118. *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp – Continuance-in-Control Exemption–Sacramento Valley Railroad, Inc* , to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and on the Governor, Public Service Commission, and Department of Transportation of the State of California



Louis E Gitomer
January 29, 2008