

CLARK HILL

Eric M. Hocky
T (215) 640-8523
F (215) 640-8501
Email: ehocky@clarkhill.com

Clark Hill PLC
Two Commerce Square
2001 Market Street, Suite 2620
Philadelphia, PA 19103
T (215) 640-8500
F (215) 640-8501

clarkhill.com

June 18, 2020

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VIA E-FILING

ENTERED
Office of Proceedings
June 18, 2020
Part of
Public Record

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

Re: STB Docket No. FD 36417
RONALD BRIDGES, DARRYL CAPLAN AND HAINESPORT
TRANSPORTATION GROUP - CORPORATE FAMILY EXEMPTION

Dear Ms. Brown:

Enclosed for filing is a Corporate Family Notice of Exemption being filed on behalf of Ronald Bridges, Darryl Caplan and Hainesport Transportation Group. The filing fee of \$1,500.00 was paid using Pay.gov.

Thank you for your assistance. Please let me know if there are any questions regarding this request.

Respectfully,

CLARK HILL PLC

/s/ Eric M. Hocky

ERIC M. HOCKY

EMH:e FILED
June 18, 2020
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
June 18, 2020
SURFACE
TRANSPORTATION BOARD

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36417

**RONALD BRIDGES, DARRYL CAPLAN AND
HAINESPORT TRANSPORTATION GROUP**

- CORPORATE FAMILY EXEMPTION -

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. §1180.2(d)(3)**

(color images included)

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523
ehocky@clarkhill.com

Justin J. Marks
Clark Hill PLC
1001 Pennsylvania Ave. N.W.
Suite 1300 South
Washington, DC 20004
(202) 772-0916
jmarks@clarkhill.com

Attorneys for Applicants

Dated: June 18, 2020

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36417

**RONALD BRIDGES, DARRYL CAPLAN AND
HAINESPORT TRANSPORTATION GROUP**

- CORPORATE FAMILY EXEMPTION –

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. §1180.2(d)(3)**

Ronald Bridges (“Bridges”), Darryl Caplan (“Caplan”) and Hainesport Transportation Group, LLC (“HTG”), all non-carriers (together, the “Applicants”) propose to restructure their corporate family. Currently, Bridges and Caplan equally own and control HTG, which in turn controls three railroads including 5900 Holdings LLC (“5900”). Under the proposed restructuring, ownership of 5900 will be transferred from HTG to Bridges and Caplan equally divided between them, giving them direct control of 5900 instead of indirect control. The proposed transaction is within their corporate family and would not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside of the corporate family. Accordingly, the transaction is eligible for a corporate family exemption under 49 C.F.R. §1180(2)(d)(3).

Notice

In accordance with 49 C.F.R. §1180.4(g), Applicants hereby provides the following information required for a Notice of Exemption under 49 C.F.R. §1180(2)(d)(3):

§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.

Bridges and Caplan own HTG equally, and HTG in turn owns Hainesport Industrial railroad, LLC (“HIRR”) and Hainesport Secondary Railroad, LLC (“HSRR”) in Burlington County, N.J.¹ In *5900 Holdings, LLC – Corporate Family Transaction Exemption*, STB Docket No. FD 36318 (served August 1, 2019) (the “*5900 Decision*”), 5900, a newly formed non-carrier subsidiary of HTG was authorized to acquire, and then lease back, the railroad property, and to remain as the non-operating lessor with residual common carrier obligations.² The parties closed on the approved transaction as of March 27, 2020.

Bridges, Caplan and HTG now propose to transfer ownership of 5900 from HTG to Bridges and Caplan individually in the same equal proportions as they own HTG. The only change as a result of the proposed transaction is that Bridges and Caplan will have direct control of 5900 instead of the current indirect control through their ownership of HTG. The proposed transaction will allow Applicants to make use of certain tax and financing benefits as a result of the corporate restructuring without impacting railroad operations or service.

¹ In *Hainesport Transportation Group, LLC – Corporate Family Transaction Exemption*, STB Docket No. FD 36184 (served May 24, 2018), Bridges and Caplan as the owners of HSRR and HIRR filed a notice of exemption to trade their ownership interests in HSRR and HIRR for identical ownership interests in HTG. The Board determined that, because the owners were “merely inserting HTG, a noncarrier holding company, in the chain of control” the transaction was outside the scope of §11323(a) and did not require the Board’s prior approval.

² Applicants believe that there was a typographical error in the *5900 Decision*, a copy of which is attached as Exhibit B for ease of reference, in which it was indicated that 5900 would be a “lessee” instead of a “lessor.” As indicated in the 5900 notice of exemption, attached as Exhibit C, paragraph 5, 5900 was proposing to acquire the rail properties from HSRR, and then to lease them back to HSRR who continues to operate the rail lines (5900 was not proposing to lease the properties for sublease back to HSRR).

Business Addresses and Telephone Numbers:

Ronald Bridges
Darryl Caplan
Hainesport Transportation Group, LLC
4002 Sylon Blvd.
Hainesport, NJ 08036

Counsel to whom questions regarding this transaction can be addressed:

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523

§1180.6(a)(1)(ii) Consummation Schedule

The parties intend to consummate the proposed transaction at least 30 days from the date of this notice, on or after July 18, 2020.

§1180.6(a)(1)(iii) Purpose of the Transaction

Applicants are entering into the proposed transaction to restructure their corporate family in order to make use of tax and financing benefits without impacting railroad operations or service.

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

The Lines owned and operated by the parties are located entirely within the state of New Jersey.

§1180.6(a)(6) Map (Exhibit A)

A map of the Lines owned and operated by the parties is attached as Exhibit A.

§1180.6(a)(7)(ii) Agreement (Exhibit B)

There is no agreement governing the proposed transaction.

1180.4(g)(1)(i) Level of Labor Protection

This transaction involves only non-carriers and Class III carriers, and pursuant to 49 U.S.C. §11326(c), approval of this transaction may not be subjected to labor protection conditions. Additionally, since there will be no change in railroad operators or operations, there will be no employees adversely affected by the proposed transaction.

1180.4(g)(4) Transactions Imposing Interchange Commitments

The proposed transaction does not impose or involve an interchange commitment by or affecting the parties.

Environmental and Historic Reports

No environmental documentation is required under 49 C.F.R. §1105.6(c)(2) because this corporate family transaction will not result in changes in carrier operations that will exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Further no historic documentation is required under 49 C.F.R. §1105.8(b)(1) because Applicants have no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

Conclusion

For the foregoing reasons, Applicants request that the Board issue a notice exempting the foregoing corporate family transaction.

Respectfully submitted,

/s/ Eric M. Hocky

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8500
ehocky@clarkhill.com

Justin J. Marks
Clark Hill PLC
1001 Pennsylvania Ave. N.W.
Suite 1300 South
Washington, DC 20004
(202) 772-0916
jmarks@clarkhill.com

Attorneys for Applicants

Dated: June 18, 2020

VERIFICATION

I hereby verify on behalf of Applicants, under penalty of perjury, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verification.

Executed on June 18, 2020.



Darryl Caplan

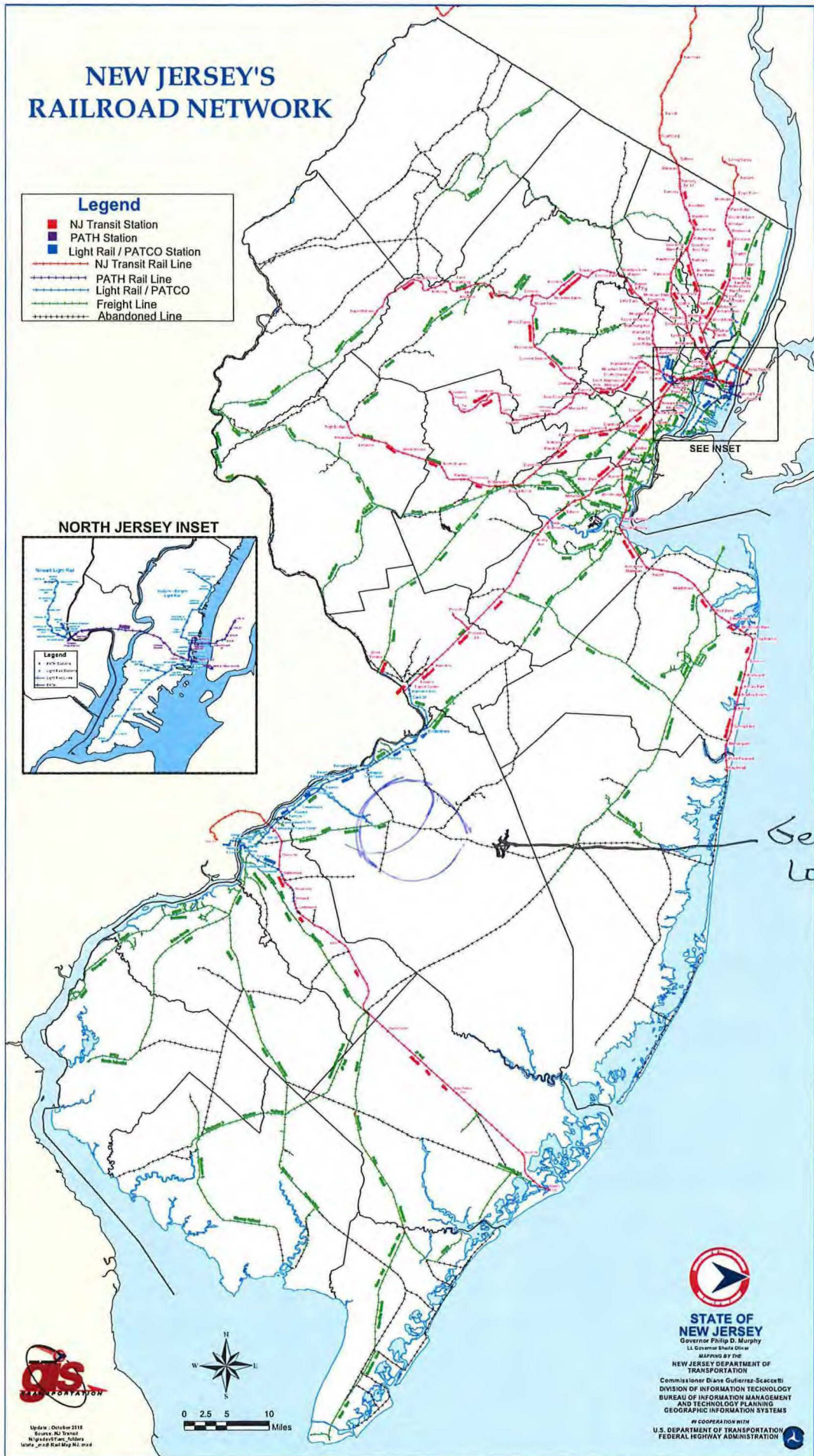
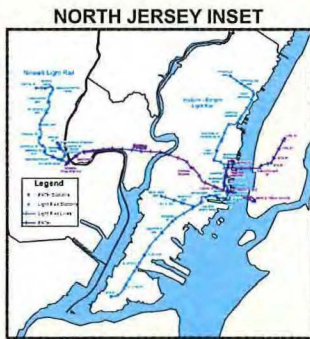
EXHIBIT A

MAP

NEW JERSEY'S RAILROAD NETWORK

Legend

- NJ Transit Station
- PATH Station
- Light Rail / PATCO Station
- NJ Transit Rail Line
- PATH Rail Line
- Light Rail / PATCO
- Freight Line
- - - Abandoned Line



General Location

GIS
INFORMATION SYSTEMS

Updated: October 2016
Source: NJ Transit
MapScale: 1:500,000
Scale: 1 inch = 10 miles




STATE OF NEW JERSEY
Governor Philip D. Murphy
Lt. Governor Shaheen Oliva
MAINTAINED BY THE
NEW JERSEY DEPARTMENT OF TRANSPORTATION
Commissioner Diane Guerin-Scaccetti
DIVISION OF INFORMATION TECHNOLOGY
BUREAU OF INFORMATION MANAGEMENT
AND TECHNOLOGY PLANNING
GEOGRAPHIC INFORMATION SYSTEMS
IN COOPERATION WITH
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

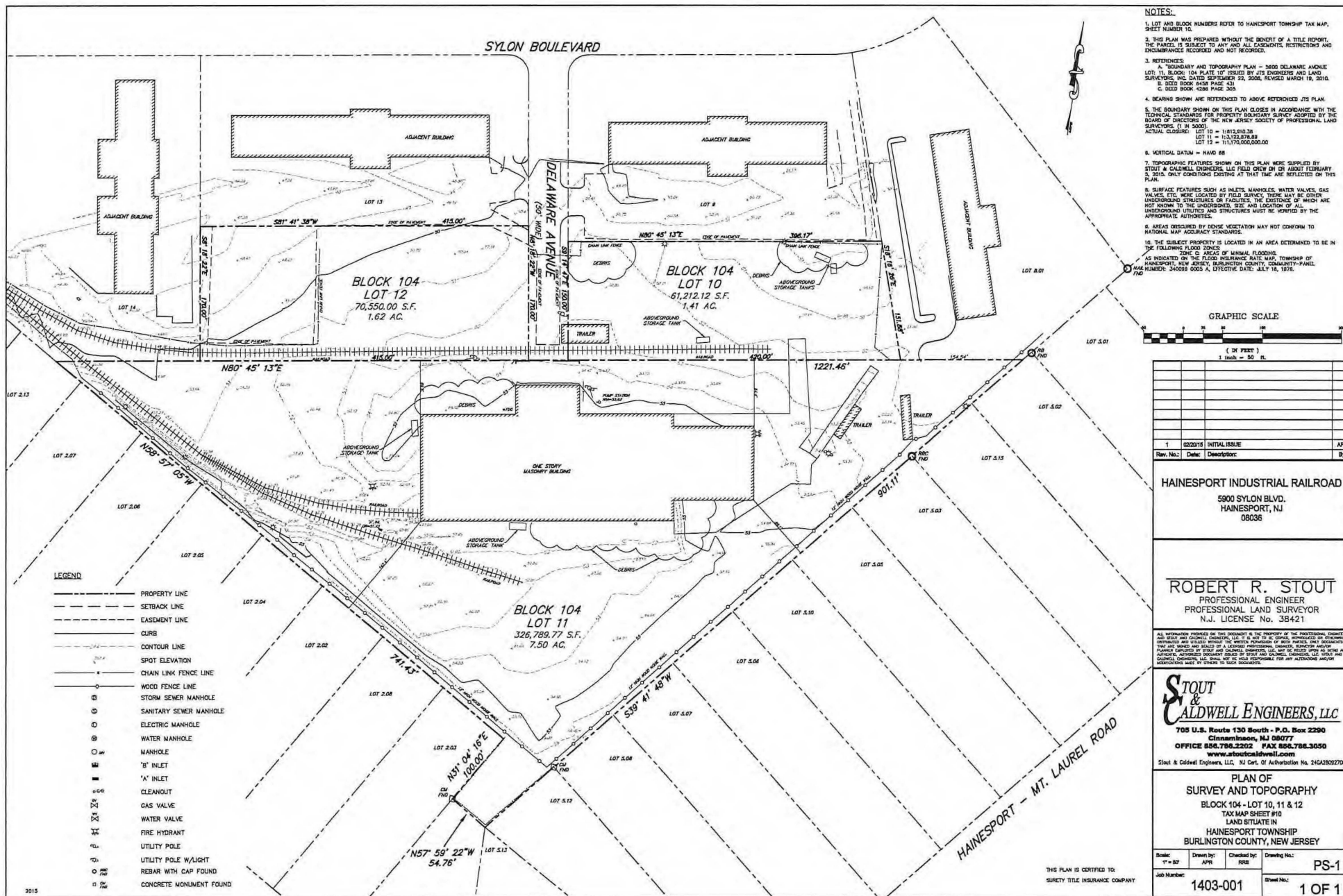


EXHIBIT B

5900 HOLDINGS DECISION

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36318]

5900 Holdings LLC—Corporate Family Transaction Exemption

On July 16, 2019, 5900 Holdings LLC (Holdings), a noncarrier, filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(3), which exempts from the prior approval requirements of 49 U.S.C. § 11323 “[t]ransactions within a corporate family that do not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family.”

49 C.F.R. § 1180.2(d)(3).

Holdings states that it is a newly created limited liability company owned by Hainesport Transportation Group, LLC (HTG). HTG is a noncarrier holding company that also owns Hainesport Secondary Railroad, LLC (HSRR), and Hainesport Industrial Railroad, LLC (HIRR).¹ Holdings states that HSRR currently owns three contiguous lots of real property in Hainesport, N.J., which are traversed by two rail lines known as the South Line and the East Line (collectively, the Lines). Holdings states that HSRR leases

¹ In Hainesport Transportation Group, LLC—Corp. Family Transaction Exemption, FD 36184 (STB served May 24, 2018), the owners of HSRR and HIRR filed a verified notice of exemption under § 1180.2(d)(3) to trade their ownership interests in HSRR and HIRR for an identical ownership interest in HTG. The Board determined that, because the owners were “merely inserting HTG, a noncarrier holding company, in the chain of control between them and the railroads they own,” the transaction was outside the scope of § 11323(a) and did not require the Board’s prior approval.

the East Line to HIRR.² According to Holdings, under the proposed transaction, Holdings would acquire HIRR's lease of the East Line and enter a new lease with HSRR for the remainder of the Lines; Holdings would subsequently designate HSRR as the operator of the Lines and remain the non-operating lessee with residual common carrier obligations.

Holdings states that the transaction will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with carriers outside the corporate family.

Holdings states that the purpose of the transaction is to obtain new financing.

The earliest this transaction may be consummated is August 15, 2019 (30 days after the verified notice of exemption was filed). Holdings states that it expects to consummate the transaction on approximately August 16, 2019.

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. However, 49 U.S.C. § 11326(c) does not provide for labor protection for transactions under 49 U.S.C. §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III rail carriers.

If the verified notice contains false or misleading information, the exemption is

² See Hainesport Indus. R.R.—Lease & Operation Exemption—Hainesport Secondary R.R., FD 36185 (STB served July 3, 2018).

void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than August 8, 2019 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36318, must be filed with the Surface Transportation Board either via e-filing or in writing addressed to 395 E Street, S.W., Washington, DC 20423. In addition, a copy of each pleading must be served on Holdings' representative, John D. Heffner, Clark Hill, PLC, 1001 Pennsylvania Avenue, N.W., Suite 1300 South, Washington, DC 20004.

According to Holdings, this action is excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b)(1).

Board decisions and notices are available at www.stb.gov.

Decided: July 29, 2019.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

EXHIBIT C

5900 HOLDINGS NOTICE OF EXEMPTION

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36318

**5900 HOLDINGS LLC
- CORPORATE FAMILY TRANSACTION EXEMPTION -**

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

Submitted By:

John D. Heffner
Clark Hill, PLC
1001 Pennsylvania Ave., N.W.
Suite 1300 South
Washington, D.C. 20004
(202) 572-8679

Counsel for Applicants

Dated: July 16, 2019

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36318

**5900 HOLDINGS LLC
- CORPORATE FAMILY TRANSACTION EXEMPTION -
VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR § 1180.2(d) (3)**

Come now 5900 Holdings LLC (“5900 Holdings”) and Hainesport Transportation Group, LLC (“HTG”), both noncarriers (collectively “the Applicants”), and state as follows:

1. Pursuant to the provisions of Section 1180 of the Board's Railroad Consolidation Rules, 49 C.F.R. §1180, Applicants hereby give notice of a transaction which may qualify for an exemption under §1180.2(d) (3) of those rules.
2. Hainesport Secondary Railroad, LLC (“HSRR”) is the owner of three (3) contiguous lots of real property, located in Hainesport, New Jersey. HSRR leases one of the three lots to its affiliate, Hainesport Industrial Railroad, LLC

(“HIRR”). HSRR and HIRR are both wholly owned by Hainesport Transportation Group, LLC, a noncarrier.

3. As relevant here, 5900 Holdings is a newly formed limited liability company and noncarrier.

4. In the Spring of 2018, the individual owners HIRR, and HSRR, established Hainesport Transportation Group, LLC (“HTG”) as a holding company to own these two carriers, with the result that these individuals traded their ownership in these railroads for an ownership in HTG, which would in turn own these two railroads, as a noncarrier holding company. HTG and its individual owners then sought and obtained ruling from the Board in FD 36184, that the mere insertion of the noncarrier holding company in the chain of control is a transaction outside the scope of section 11323 and not subject to Board approval.¹

5. HTG now seeks for its newly established affiliate, 5900 Holdings, to acquire the three contiguous parcels of real estate owned by HSR, over which both HIRR and HSRR have railroad rights of way. As part of this transaction, the parties intend that 5900 Holdings will acquire the existing lease to HIRR, and will enter into a new lease with HSRR for the remaining two parcels. This transaction would not have any impact on or change railroad operations provided involving HIRR and HSRR or between HIRR and HSRR.

¹ *Hainesport Transportation Group, LLC-Corporate Family Transaction Exemption*, FD 36184, STB served May 24, 2018.

6. Under §1180.2(d) (3) of the Board's consolidation rules, certain transactions are automatically exempt from the prior approval requirements for common control. Specifically, §1180.2(d) (3) exempts corporate family transactions where the transaction will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with carriers outside the corporate family.

7. This transaction is subject to the Board's jurisdiction, as it fits the statutory test. There will be no changes in service levels, operations, or the competitive balance after consummation. What exists today will continue to exist tomorrow. Under that arrangement HSRR will continue to provide all common carrier operations over the leased property connecting with the Conrail Shared Assets Organization and in turn CSX Transportation or Norfolk Southern Railway, as the case may be.

8. In order to claim the §1180.2(d) (3) exemption, §1180.4(g) requires the filing of a verified notice of exemption furnishing the information requested in §§1180.6(a) (1) (i) – (iii), 1180.6(a) (5) – (6), and 1180.6(a) (7) (ii) of those rules. That information is provided as follows:

Summary of Proposed Transaction: 49 CFR §1180.6(a) (1) (i)

As described above, 5900 Holdings will acquire certain real estate traversed by the two rail lines known respectively as the South Line and the East Line. In

FD 36185 the Board exempted a prior lease by HIRR of the East Line owned by its corporate affiliate HSRR.² HIRR and HSRR will continue to hold the common carrier obligation to provide service and HSRR will actually provide the service with 5900 Holdings having a residual common carrier obligation. To the extent the Board finds that this transaction is within its jurisdiction, it qualifies for an exemption under 49 CFR § 1180.2(d)(3) because the proposed transaction is within a corporate family and will not result in adverse changes in services levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. Moreover, the Board has frequently authorized the transfer of lines under the corporate family exemption procedure from one affiliate or entity in the corporate family to another. *Hainesport Industrial Railroad, LLC—Corporate Family Transaction Exemption*, FD 35760, STB served Sept. 11, 2013).

Applicants' name, address, and telephone number:

5900 Holdings LLC
4002 Sylon Blvd.
Hainesport, NJ 08036
(856) 778-4002

Legal counsel to whom questions should be addressed:

John D. Heffner
Clark Hill, PLC

² *Hainesport Industrial Railroad, LLC—Lease and Operation Exemption*, FD 36185, STB served July 3, 2018.

1001 Pennsylvania Ave., N.W.
Suite 1300 South
Washington, D.C. 20004
(202) 572-8679

Schedule for consummation: 49 CFR §1180.6(a) (1) (ii)

The parties intend to consummate the proposed transaction at least 30 days from the date of this notice, on or about August 16, 2019.

Purpose to be accomplished by the transaction: 49 CFR §1180.6(a) (1) (iii)

The purpose of this transaction is to allow Applicants to obtain new financing.

State(s) in which the property of each carrier is situated: 49 CFR §1180.6(a) (5)

New Jersey

Map: 49 CFR §1180.6(a) (6)

Attached hereto as Exhibit A.

Copy of Agreement: 49 CFR §1180.6(a) (7) (ii)

N.A. There is no agreement covering the instant transaction.

Labor Protection to be Imposed 49 CFR§1180.4(g)(1)(i):

No labor protection applies on transactions involving only class III railroads.

See, 49 U.S.C. §11326(c).

Interchange Commitments 49 CFR§1180.4(g)(4)

The parties hereby certify that the transaction and the underlying lease do not involve or contain any provision or agreement that may limit future interchange with a third party connecting carrier.

Environmental and historical considerations:

This corporate family transaction exemption proceeding is exempt from environmental review under 49 CFR §1105.6(e) (2) (i) because the proposed action will not cause any operating changes that exceed the thresholds established in 49 CFR §1105.7(e) (4) or (5). In addition, this proceeding is exempt from historic review under 49 CFR §1105.8(b)(1) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are at least 50 years old. Accordingly, no historic report is required.

Respectfully submitted,



John D. Heffner

Clark Hill, PLC
1001 Pennsylvania Ave., N.W.
Suite 1300 South
Washington, D.C. 20004
(202) 572-8679

Counsel for Applicants

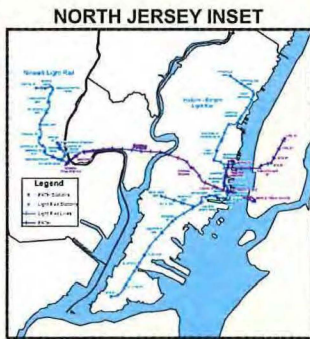
Dated: July 16 , 2019

EXHIBIT A

NEW JERSEY'S RAILROAD NETWORK

Legend

- NJ Transit Station
- PATH Station
- Light Rail / PATCO Station
- NJ Transit Rail Line
- PATH Rail Line
- Light Rail / PATCO
- Freight Line
- - - Abandoned Line



SEE INSET

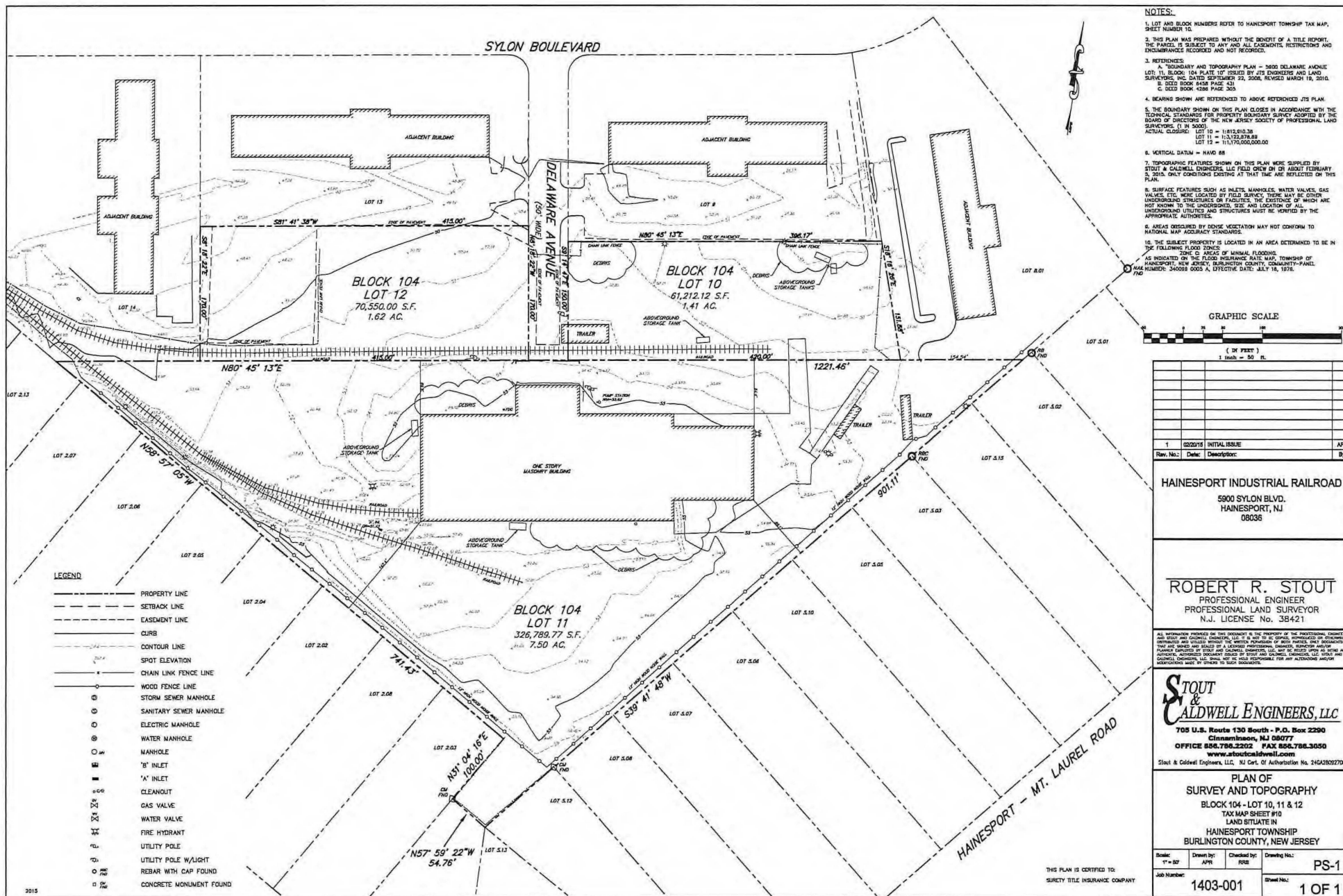
General Location



Updated: October 2016
Source: NJ Transit
Map of NJ Transit Rail Lines
Scale: 1 inch = 10 miles



STATE OF NEW JERSEY
Governor Philip D. Murphy
Lt. Governor Shaheen
MAINTAINED BY THE
NEW JERSEY DEPARTMENT OF TRANSPORTATION
Commissioner Diane Guerin-Scaccetti
DIVISION OF INFORMATION TECHNOLOGY
BUREAU OF INFORMATION MANAGEMENT
AND TECHNOLOGY PLANNING
GEOGRAPHIC INFORMATION SYSTEMS
IN COOPERATION WITH
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION



VERIFICATION

STATE OF)

)

CITY OF)

Darryl Caplan, being duly sworn according to law, hereby deposes and states that (s)he holds the position of Managing Member with applicant/petitioner, is authorized to make this Verification, had read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of (her)his knowledge, information, and belief.


Subscribed to and sworn to before me, a Notary Public, in and for the County of BURLINGTON
in the State of NJ, this 17th day of June, 2019.


Notary Public

KIM A. LEHUQUET DILKS
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JAN. ~~22, 2019~~
28, 2020

My Commission expires: Jan. 28, 2020