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BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Proceedings
July 14, 2025
Part of
Public Record

FD 36848

MICHAEL W. WILLIAMS
– CONTROL EXEMPTION –
McCLOUD RAILWAY COMPANY; OZARK VALLEY
RAILROAD, INC.; AND WASHINGTON & IDAHO RAILWAY, INC.

SUPPLEMENTAL VERIFIED RESPONSE OF MICHAEL W. WILLIAMS

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ATTORNEYS FOR MICHAEL W. WILLIAMS

Dated: July 14, 2025

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SURFACE TRANSPORTATION BOARD

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OVERVIEW

By verified petition for exemption filed in this proceeding on March 27, 2025, Michael W. Williams (“Mr. Williams”) sought appropriate action of the Surface Transportation Board (the “Board”) pursuant to 49 U.S.C. § 10502 and the corresponding regulations of 49 C.F.R. § 1121 to address past regulatory oversight concerning Mr. Williams’ currently-unauthorized control of three railroads – McCloud Railway Company (“MCR”), Ozark Valley Railroad, Inc. (“OVR”), and Washington & Idaho Railway, Inc. (“WIR”). It was Mr. Williams’ intent then, and remains his objective now, to rectify any prior regulatory oversight and to make things right with the agency going forward.

In lieu of granting Mr. Williams’ Petition as to MCR, OVR and WIR, the Board’s Acting Director of the Office of Proceedings instituted a formal proceeding by order served on June 24, 2025 (the “June 24 Order”), explaining that Mr. Williams’ remedial filing “raises issues concerning” MB Rail IB, LLC (“MB Rail IB”); Midwest & Bluegrass Rail, LLC (“M&B Rail”); and Fremont Northern LLC

(“FN LLC”) that Mr. Williams has been ordered to address via supplemental filing to “ensure a complete picture of [Mr.] Williams current railroad holdings.” June 24th Order at 2. The Board’s inquiry runs somewhat deeper than that, based upon certain suppositions or concerns embedded further along in the June 24 Order.

SUPPLEMENTAL INFORMATION

In the interest of the “complete picture” of Mr. Williams’s railroad holdings and a full accord with the Board, Mr. Williams offers the following supplemental information as directed in the June 24 Order:

Michael W. Williams Organizational Chart

Attached as Exhibit A is an organizational chart showing all railroad-related businesses that Mr. Williams owns or in which he has an ownership stake (including the percentage ownership he has in each). Of the companies listed in the attached chart, SSR S&S Shortline Leasing LLC; Shasta Sunset Corporation; Bucks Creek Rental LLC; Midwest Pacific Rail Network, Inc.; Railroad Materials Salvage, Inc.; RMSI Corporation, Inc.; SDR Holding Company; Williams Group, Inc.; Brule Terminaling; Whitman Terminaling; Iron Horse Development Company; MB Rail IB LLC; and MB Rail TTI LLC are not railroad common carriers.

Midwest & Bluegrass Rail, LLC (M&B Rail)

M&B Rail is a non-carrier short line management company. It does not hold an ownership interest in any U.S. railroad, but it currently has a contract to manage two short line railroads – Youngstown & Southeastern Railroad, LLC

(“YSE”) and TransKentucky Transportation Railroad, Inc. (“TTT”). M&B Rail’s common control-via-management-contract arrangement has been Board authorized,¹ as is accurately detailed at pages two and three of the June 24 Order, which also details the more recent sale of various railroads previously, but no longer, under M&B Rail’s management. June 24 Order at 2, n.3 (referencing transactions authorized in *Macquarie Infrastructure Partners V GP, LLC—Control Exemption—Camp Chase Rail*, FD 36685 (STB served Apr. 7, 2023)).

In preparing this Supplement, Mr. Williams has secured what he understands is an up-to-date “MB Rail” organizational chart that is responsive to the requests set forth the in the Board’s May 24 Order, and that is offered as Exhibit B. Mr. Williams previously was unfamiliar with the Exhibit B chart, though he has now seen it, and has discussed it with counsel. The Exhibit B chart reveals the existence of an entity known as Midwest & Bluegrass Rail II, LLC (“M&B Rail II”) – and entity in which Mr. Williams has no ownership interest. It is unclear to Mr. Williams what role or function M&B Rail II serves distinct from M&B Rail.

Mr. Williams is unsure why the Board believed that he might have an ownership (or other controlling) interest in M&B Rail, considering that the company’s 2021 filings revealed that Mr. Williams had no stake in M&B Rail at the

¹ See *Midwest & Bluegrass Rail, LLC—Control Exemption—Vermillion Valley Railway Company, et al.*, FD 36413 (Sub-No. 1) (STB served Sep. 10, 2021); *Midwest & Bluegrass Rail, LLC—Control Exemption—TransKentucky Transportation Railroad, Inc.*, FD 36530 (STB served Sep. 10, 2021).

time. Mr. Williams likewise verified in his March 27 Petition in this docket (at 18) that he does not have any ownership interest in M&B Rail. Nevertheless, to the Board's specific inquiry (June 24 Order at 3), Mr. Williams reaffirms that he has no ownership interest in M&B Rail, consistent with the Petition and the MB Rail Organizational Chart attached as Exhibit B, and he never has.

The Board's line of inquiry has proven nevertheless revealing for reasons unexpected. In the course of preparing this Supplement, counsel for Mr. Williams has detected for the first time that Avory Beggs ("Ms. Beggs"), Mr. Williams' daughter, has, evidently, recently succeeded to a majority stake in M&B Rail, albeit under a transaction lacking prior Board authorization. As of 2021, Ms. Beggs had a minority (34%) stake in M&B Rail, and had no controlling ownership interest in any other short line railroads.² Mr. Williams' undersigned counsel has reached out to Ms. Beggs to alert her to what appears may be a recent regulatory oversight (depending upon the Board's response to this Supplement), and to encourage her to be prepared to take appropriate remedial action of her own with respect to her indirect managerial control of YSE and TTI through her majority interest in M&B Rail. Ms. Beggs, however, is not a party to this proceeding, although she is certainly of interest to the Board as revealed in the June 24th Order.

² Notice & Request 6-7, Aug. 26, 2021, *Midwest & Bluegrass Rail, LLC—Control Exemption—TransKentucky Transportation Railroad, Inc.*, FD 36475.

MB Rail IB, LLC (MB Rail IB)

MB Rail IB is a non-carrier short line railroad holding company originally formed to assume control of four short line railroads deriving from Indiana Boxcar Corporation (hence, the “IB” acronym) – Chesapeake & Indiana Railroad Company, Vermilion Valley Railroad Company, Camp Chase Rail, LLC, and YSE. *MB Rail IB, LLC— Acquis. & Continuance in Control Exemption— Chesapeake & Ind. R.R.*, FD 36413 (STB served July 1, 2020). Today, MB Rail IB controls only one common carrier railroad – YSE – although as the Exhibit B chart shows, MB Rail IB also has a 100% stake in MB Rail IB Equipment Company, LLC, a non-carrier entity that supplies equipment to YSE.

Mr. Williams has a large (42.5%) stake in MB Rail IB, but he has never had a majority ownership stake in the enterprise.³ Indeed, Mr. Williams has not exerted and cannot on his own exert indirect control over YSE via MB Rail IB. It is for this reason that Mr. Williams has in good faith understood that his minority interest in MB Rail IB does not amount to individual “control” as that word is defined at 49 U.S.C. § 10102(3) and is interpreted in Board jurisprudence.

³ Mr. Williams has, from the outset, possessed a 42.5% ownership stake in MB Rail IB, while his wife, Tammy Williams, has also since the outset held a separate 6.5% stake in MB Rail IB. (This is the only instance where Tammy Williams holds a separate stake in any of the companies in which her husband also has an ownership stake.) Even if measured collectively, Michael and Tammy Williams’ interests in MB Rail IB give them, together, an indirect 49% stake in YSE, and they, collectively, lack sufficient interest to exercise indirect control of YSE. It appears that the exact MB Rail IB membership mix has changed since M&B Rail’s August 26, 2021 pleading in the FD 36475 proceeding (involving M&B Rail’s authorization to control TTI via management agreement), which pleading is also referenced in the June 24 Order.

As the Exhibit B chart shows, Ms. Beggs holds a collective 30.75% ownership stake (in her own name and via a 50% stake in SEB Holdings, LLC)⁴ in MB Rail IB. Ms. Beggs together with her father (Mr. Williams) and mother (Tammy Williams) hold a collective 79.75% ownership interest in MB Rail IB. Mr. Williams and Ms. Beggs are not party to any membership agreement or other contract obligating the two individuals to vote in unison as a single block or otherwise governing the conduct of MB Rail IB's affairs, and each individual can and does harbor differing perspectives and expectations with respect to the operation of MB Rail IB and, in turn, YSE.⁵ As such, while he is related to Ms. Beggs, Mr. Williams would dispute any implicit suggestion that there is a distinct commonality or unity of cause (or interest) that would distinguish Mr. Williams' and Ms. Beggs' separate ownership interests in MB Rail IB (and indirect interests in YSE) from those of *unrelated* members of MB Rail IB. *See id.* at 2, ¶ 5.

Still, the Board has ordered Mr. Williams to "explain why he and his daughter, [Ms.] Beggs, do not individually or jointly require authority to control [YSE] and [TTI]." June 24 Order at 3. Mr. Williams already has explained why he believes that he does not possess a controlling interest in YSE through his minority membership interest in MB Rail IB. Ms. Beggs, on the other hand, may need to obtain Board authorization for her apparent indirect control of YSE (and TTI, for that matter) via her majority stake in M&B Rail.

⁴ In the interest of completeness, Mr. Williams has no stake in SEB Holdings, LLC.

⁵ *See* Supplemental Verified Statement of Michael W. Williams ("Supplemental V.S. Williams," attached as Exhibit C (at 2, ¶¶ 3 and 4).

The Board’s June 24 Order can be seen, however, as implying presumed joint control by Mr. Williams and Ms. Beggs based on familial relationship (and perhaps, secondarily, upon a brief sharing of business addresses out of expedience – discussed below). If so, the order itself does not cite agency case law addressing or supporting such a proposition. Indeed, while the undersigned is aware of no directly on-point agency decisions addressing the question of familial “joint” control as the issue is raised in the June 24 Order, an assessment of related jurisprudence seems to indicate that the Board generally focuses on actual or *de facto* control rather than *imputed* control based on relationship alone.⁶ Accordingly, absent an agency standard establishing “joint” control as among relatives, Mr. Williams is frankly uncertain about whether he and Ms. Beggs should be required to seek Board authorization to control YSE “jointly” due to – (a) their collective MB Rail IB membership stakes; and (b) the fact that they are directly related.⁷

⁶ See, e.g., *Bus Company Holdings Topco LP, et al. – Acquisition of Control of Assets – Chenango Valley Bus Lines, et al.*, MCF 21117 (STB served Aug. 23, 2024) slip op. at 5-6; *Michigan Central Railway, LLC – Acquisition and Operation Exemption – Lines of Norfolk Southern Railway Company*, FD 35063 (STB served Dec. 10, 2007) (applying a factual analysis to issues of control beyond a strict analysis of ownership percentages in a given railroad carrier); *Borealis Infrastructure Trust Management, Inc., et al. – Acquisition Exemption – Detroit River Tunnel Company*, FD 33984 (STB served Dec. 19, 2001), slip op at 5, n. 9 (“The existence of control is an issue of fact to be determined by the circumstances of each case. *Rochester Telephone Corp. v. United States*, 307 U.S. 125 (1939).”); *Soo Line Railroad Company – Petition for Declaratory Order*, FD 33350 (STB served Feb. 4, 1998), slip op. at 10; and *Bradford Industrial Rail, Inc. – Acquisition and Operation Exemption – Consolidated Rail Corporation*, FD 32240, et al. (ICC served Dec. 7, 1995) (finding one carrier’s *de facto* control of another).

⁷ To be clear, Mr. Williams does not speak for Ms. Beggs, and he has no such entitlement or authorization to do so here.

Mr. Williams has testified that he and Ms. Beggs do not act in concert any more so than other, individual members of a closely-held limited liability company such as MB Rail IB might. See Supplemental V.S. Williams at 2, ¶ 4. The absence of any sort of formal voting agreement and Mr. Williams’ testimony regarding independent decision-making undercuts any presumed unity of interest or “blood pact” – to borrow a dramatic phrase from analogous jurisprudence – that exists to establish a “control group” under corporate law principles as discussed in cases such as *F5 Cap. v. Pappas*, 856 F.3d 61, 73 (2d Cir. 2017) (individual shareholder holdings may not be aggregated to satisfy the control test to permit a minority shareholder claim to move forward absent a voting agreement among the group or a “blood pact” to act together to establish joint control); *Feldman v. Cutaia*, 956 A.2d 644, 657-658 (Del. Ch. 2007) (applying a similar control standard to family member stock owners, among others); and *Carsanaro v. Bloodhound Techs., Inc.*, 65 A.2d 618, 659 (Del. Ch. 2013) (under Delaware corporation law, “a number of shareholders, each of whom individually cannot exert control over the corporation” may nevertheless “collectively form a control group” if they “are connected in some legally significant way—*e.g.*, by contract, common ownership, agreement, or some other arrangement—to work together toward a shared goal.”). To hold otherwise would be to impose duties on individuals based on mere kinship rather than on actual control, which is contrary to the nuanced understanding of corporate governance embraced by U.S. courts and this agency.

Mr. Williams nonetheless remains focused on setting things right with the Board in accordance with the agency's directions. For that reason, if the Board were to conclude despite the foregoing legal analysis that Mr. Williams possesses unauthorized individual or "joint" (with Ms. Beggs) control of YSE (and TTI), then Mr. Williams will do as the Board may direct to rectify the situation.

MB Rail TTI, LLC ("MBRT")

Currently, MBRT's members consist of three individuals – Mr. Williams, Ms. Beggs, and Dustin Shaver – and their respective membership interests are shown in attached Exhibit B. Mr. Williams holds a 25% stake in MBRT, while Ms. Beggs holds a 50% stake (with the balance of the membership interests held by Mr. Shaver). MBRT holds 100% stakes in TTI (a railroad carrier – the only railroad it controls) and Maysville Rail Port, LLC (a non-carrier terminal facility along the Ohio River at Maysville, Kentucky).

Mr. Williams does not possess a controlling individual stake in TTI through MBRT, and neither does Ms. Beggs (although it appears that Ms. Beggs may control TTI indirectly via her controlling ownership stake in M&B Rail, discussed above). But Mr. Williams and Ms. Beggs hold a collective majority (75%) membership stake in MBRT. And, again, because Mr. Williams and Ms. Beggs have discrete personal interests in their MBRT memberships, Mr. Williams would question any supposition that he and Ms. Beggs should be presumed by law to possess a collective, unified interest in MBRT sufficient to infer "joint" indirect control of TTI. Supplemental V.S. Williams at 2, ¶ 5. However, if the Board were to

conclude that Mr. Williams possesses unauthorized “joint” (with Ms. Beggs) control of TTI, then Mr. Williams will do as he may be directed to remedy such a situation.

M&B Rail’s Business Address

Ms. Beggs and Mr. Williams no longer share a business address. As far as Mr. Williams is aware, as of sometime in 2022, M&B Rail’s current business address became 7450 W 130th Street, Suite 100, Overland Park, KS 66213.

As the Board observed, however, M&B Rail gave as its business address as 10100 N. Ambassador Drive, Suite 105, Kansas City, MO 64153 (Mr. Williams’ business address) in 2021 in connection with securing authorization to control via management the MB Rail IB railroads as they then existed. See Verified Notice, Ex. A at 9 & Verification Page (PDF page 35), *Midwest & Bluegrass Rail, LLC—Control Exemption—Vermilion Valley Railway Company, et al.*, FD 36413 (Sub-No. 1) (filed August 26, 2021). At that time (to the best of Mr. Williams’ knowledge), M&B Rail consisted of a consortium of members and it had a registered agent, but the company had no fixed business address (with each of the member-owners operating from his or her respective home address).

In need of supplying both the Board and the parties to M&B Rail’s Management Agreement with a fixed business address, the undersigned counsel suggested that they appeal to Mr. Williams’ for the use of his existing (and current) business address at 10100 N. Ambassador Drive, Suite 105, Kansas City, MO 64153, considering his interest in MB Rail IB and MBRT. Mr. Williams agreed as an accommodation to his daughter to allow his business address to serve as a

temporary surrogate for M&B Rail, MB Rail IB, and MBRT, and thus as a virtual, temporary clearinghouse for these three businesses. See V.S. Williams, 3, ¶ 6.

(Such is the nature of small, entrepreneurial short line owners that, as a matter of business cost, must weigh offering – a personal (home) address, a post office box, or an actual brick-and-mortar business address.)

Fremont Northern

Fremont Northern Railroad, Inc. (“Fremont Northern”), now dissolved, was a former holding of Mr. Williams that, from 2010 to 2019, owned an abandoned rail right-of-way extending approximately 17 miles from Fremont to Hooper, Nebraska (the “FN ROW”).⁸ The FN ROW was part of a longer rail line, extending from Fremont to Norfolk, Nebraska, that was abandoned in 1985. *See Chicago & North Western Transportation Company – Abandonment Exemption – In Dodge, Cuming, Stanton and Madison Counties, Neb.*, AB-1 (Sub-No. 180X) (ICC served May 10, 1985). Approximately 37.5 miles of that abandoned line, from Fremont to West Point, Nebraska, was subsequently acquired by the Eastern Nebraska Chapter of the National Railway Historical Society, later known as the Nebraska Railroad Museum (“NRM”). NRM operated an unregulated tourist excursion service, known as the Fremont and Elkhorn Valley Railroad (“FEVR”), over the abandoned line. Fremont Northern acquired the FN ROW from NRM on December

⁸ The Petition erroneously indicated (at page 18) that Fremont Northern was later known as FN LLC. In fact, FN LLC was a separate entity, in which Mr. Williams did not have an ownership interest.

27, 2010.⁹ In 2019 Fremont Northern conveyed interests in the FN ROW to FN LLC, and in 2021 Fremont Northern and FN LLC donated their interests in the FN ROW to the Nebraska Trails Foundation, Inc. (“NTF”).¹⁰ Fremont Northern no longer exists as a corporate entity.¹¹

As requested in the June 24 Order, Mr. Williams confirms that the FN ROW is a portion of the “line” that was the subject of the Board’s decision in *C.T. Chappellear – Feeder Line Development Application – Line of Nebraska Railroad Museum Between Fremont and West Point, Neb.*, FD 35405 (STB served Sep. 17, 2010) (“*Chappellear Feeder Line*”). The June 24 Order, noting the *Chappellear Feeder Line* decision and two earlier dockets in which other entities sought operating authority over all or part of the FN ROW,¹² indicates that the “status of the line remains unresolved,” and asks Mr. Williams to address whether the FN ROW re-entered the national rail system, and to expand upon his statement that Fremont Northern did not require Board authority to acquire the FN ROW.

⁹ Fremont Northern never held any interest in the portion of the abandoned right-of-way beyond Hooper to West Point.

¹⁰ In December, 2024, NTF conveyed the FN ROW to Elkhorn Valley Trails, Inc., which is working with Dodge County and the FEVR Rail to Trail Foundation to develop the FEVR Trail on the FN ROW.

¹¹ Thus, Fremont Northern is not included on the organizational chart attached as Exhibit A showing Mr. Williams’ current holdings.

¹² *Fremont, West Point & Pacific Railway, Inc. – Exemption – Operation – Certain Abandoned Railroad Lines Owned by the Eastern Nebraska Chapter of the National Railway Historical Society in Dodge and Cuming Counties, NE*, FD 31147 (STB served Nov. 25, 1987) (“*FWP&P Operation*”); *Fremont Northwestern Railroad Company – Lease and Operation Exemption – Rail Line of the Eastern Nebraska Chapter National Railway Historical Society*, FD 34383 (STB served Aug. 2003) (“*FNW Operation*”).

It is unclear that common carrier operations were ever resumed over the FN ROW by either of the entities that obtained STB or ICC operating authority in 1987 and 2003, respectively. In any event, had such operations resumed, they would not have resulted in the return of the underlying abandoned rail line to the national rail system, or caused the right-of-way owner to become a rail carrier.

Wisconsin Cent. Ltd. v. STB, 112 F.3d 881, 893 (7th Cir. 1997) (“*Wisconsin Central*”) (“As the owner of an abandoned line, [the owner] did not subject itself to the [agency’s] jurisdiction merely by leasing the line to another carrier that provided service. The [agency] was therefore without jurisdiction to impose new obligations upon [owner] with respect to the [subject line].”). In turn, Fremont Northern would not have required STB authority to acquire the FN ROW in 2010, and Mr. Williams did not require STB authority to control Fremont Northern as a rail carrier.

FD 31147

In 1987, the Fremont, West Point and Pacific Railway, Inc. (“FWP&P”) sought ICC exemption authority to operate the abandoned 37.5-mile line between Fremont and West Point then owned by the predecessor of NRM. *FWP&P Operation*.¹³ A later determination by the U.S. Railroad Retirement Board (“RRB”) explained that FWP&P never owned any rail equipment or had any employees, and during its one-year period of existence hauled “several” loads of traffic using volunteer members of NRM’s predecessor. BCD 1992-65, *Employer Status*

¹³ As indicted above, this segment subsumed the shorter FN ROW.

Determination, Fremont West Point & Pacific Railway, Inc. (RRB 1992), attached as Exhibit D. It is unclear whether the *de minimis* traffic FWP&P moved was handled under common carriage or under contract. FWP&P was dissolved on April 16, 1988, less than five months after issuance of the ICC notice in *FWP&P Operation. Id.*

FD 34383

In 2003, the Fremont Northwestern Railroad Company (“FNW”) sought STB exemption authority to operate the abandoned 9.5-mile line between Fremont and Nickerson, Nebraska owned by NRM’s predecessor. *FNW Operation*.¹⁴ The STB notice specifically noted that the line’s owner (and its tourist/museum railroad) would have “no freight rights or freight responsibilities on the line.” *FNW Operation* at 1 & n.1. There is significant question, however, whether FNW ever consummated the proposed operation transaction. NRM’s predecessor filed a letter in the *FNW Operation* docket seeking to “correct” the record and explaining that, while it had agreed to consider FNW’s proposal, as of the date of the letter “no written proposal has been received or agreed to”. *See* Eastern Nebraska Chapter National Railway Historical Society Letter, *FNW Operation*, FD 34383 (dated August 27, 2003 and filed September 29, 2003).¹⁵

¹⁴ This segment was a portion of the longer FN ROW.

¹⁵ FNW had indicated in its notice of exemption that it expected a written agreement “to be finalized by July 28, 2003.” Verified Notice at 2, *FNW Operation*, FD 34383 (filed July 22, 2003). At least a full month later, no such agreement had been reached.

There are no further filings or correspondence in the docket indicating that an agreement was ever reached. The Nebraska Secretary of State website indicates that FNW was an inactive corporation as of 2008.

STB Jurisdiction over Fremont Northern

It is not clear that either FWP&P or FNW ever conducted operations over the FN ROW as a regulated rail carrier. If they did not, the FN ROW was plainly not a line of railroad when Fremont Northern acquired it in 2010. In turn, Fremont Northern did not need STB authority to acquire the FN ROW, and Mr. Williams did not need STB authority to control Fremont Northern as a rail carrier.

This is also the case, *even if* FWP&P and/or FNW were deemed to have conducted regulated rail operations over the previously abandoned FN ROW. The Seventh Circuit addressed this issue directly in *Wisconsin Central*. There, the owner of an abandoned rail line leased the line to another entity to provide rail service, and the lessee obtained agency authority for its operation. When the lessee subsequently discontinued its operations, pursuant to agency authority, the ICC held that the owner now held a *residual* common carrier obligation on the line and would require its own new abandonment authority.

The appellate court reversed the agency's decision, explaining that:

[O]nce a line properly has been abandoned, the line and its owner are beyond the jurisdiction of the Commission. The subsequent lease of the line to an operator who wishes to provide service to the public over that line will of course subject the operator and the service it provides to the Commission's regulatory power, but *not the owner and its property*.

Wisconsin Central, 112 F.3d at 892 (emphasis added). *See also* 112 F.3d at 890 (quoting, with modifications, *Dakota Rail, Inc. – Petition for Exemption from 49 U.S.C. 10901, 10903 and 11301*, FD 30721 (ICC served Nov. 14, 1985), slip op. at 2, *petition to reopen denied* (ICC served Apr. 10, 1986), *aff’d sub nom. Winter v. ICC*, 828 F.2d 1320 (8th Cir. 1987)). Accordingly, NRM’s predecessor, as the owner of the abandoned FN ROW, did not become a rail carrier subject to the agency’s jurisdiction or otherwise incur a common carrier obligation even if FWP&P or FNW had commenced authorized lease operations on the line.¹⁶ Fremont Northern (and, indeed, NTF and Elkhorn Valley Trails, Inc., as the subsequent owners of the FN ROW) would likewise not have assumed rail common carrier status upon their successive acquisitions of the FN ROW.

It may be that FWP&P or FNW retain some theoretical obligation to have obtained discontinuance authority upon their cessation of common carrier operations (if such operations were ever conducted), although both of those entities have been defunct for decades. But Fremont Northern was never a rail carrier with respect to the FN ROW, and Mr. Williams did not require any Board control authority for his ownership of Fremont Northern.

¹⁶ *Wisconsin Central* involved an abandoned rail line owned by an established rail carrier. The rationale of that decision would appear even stronger where the abandoned right-of-way has been owned by a succession of non-carrier entities.

CONCLUSION

Mr. Williams has provided the foregoing verified supplemental information in good faith, striving to present a comprehensive and accurate picture of his railroad-related holdings as the Board has requested. He reiterates that he does not individually control YSE or TTI, and that he believes that the familial relationship between himself and Ms. Beggs, while noted, does not, in fact, result in a unified control group that would trigger the need for joint control authority with Ms. Beggs as a matter of applicable law, especially given their independent perspectives and the absence of any agreement to act in concert. Nor does he believe that Fremont Northern was ever a rail carrier for which he required STB control authority.

Nevertheless, Mr. Williams remains committed to full compliance with the Board's regulatory framework. If the Board, after reviewing this filing, were to conclude that additional control issues exist beyond the three short lines initially identified in this proceeding, Mr. Williams stands ready to engage swiftly and cooperatively with the agency to address and resolve any such matters, ensuring full and proper regulatory alignment going forward.

Respectfully submitted,

By: /s/ *R. A. Wimbish*

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ATTORNEYS FOR MICHAEL W. WILLIAMS

Dated: July 14, 2025

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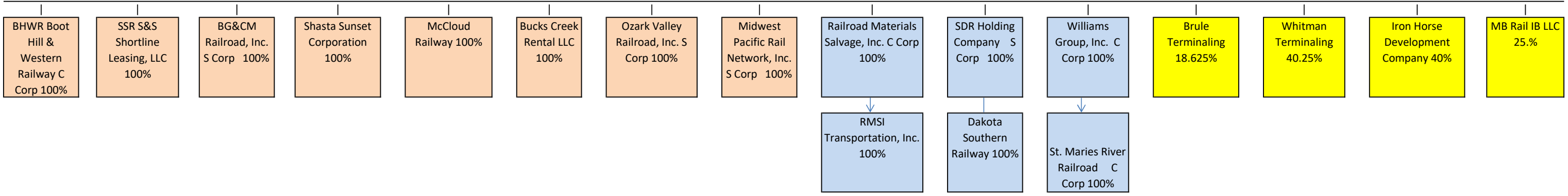
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MICHAEL W. WILLIAMS
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McCLOUD RAILWAY COMPANY, OZARK VALLEY
RAILROAD, INC., AND WASHINGTON & IDAHO RAILWAY, INC.

EXHIBIT A

**MICHAEL W. WILLIAMS
ORGANIZATIONAL CHART**

Michael Williams



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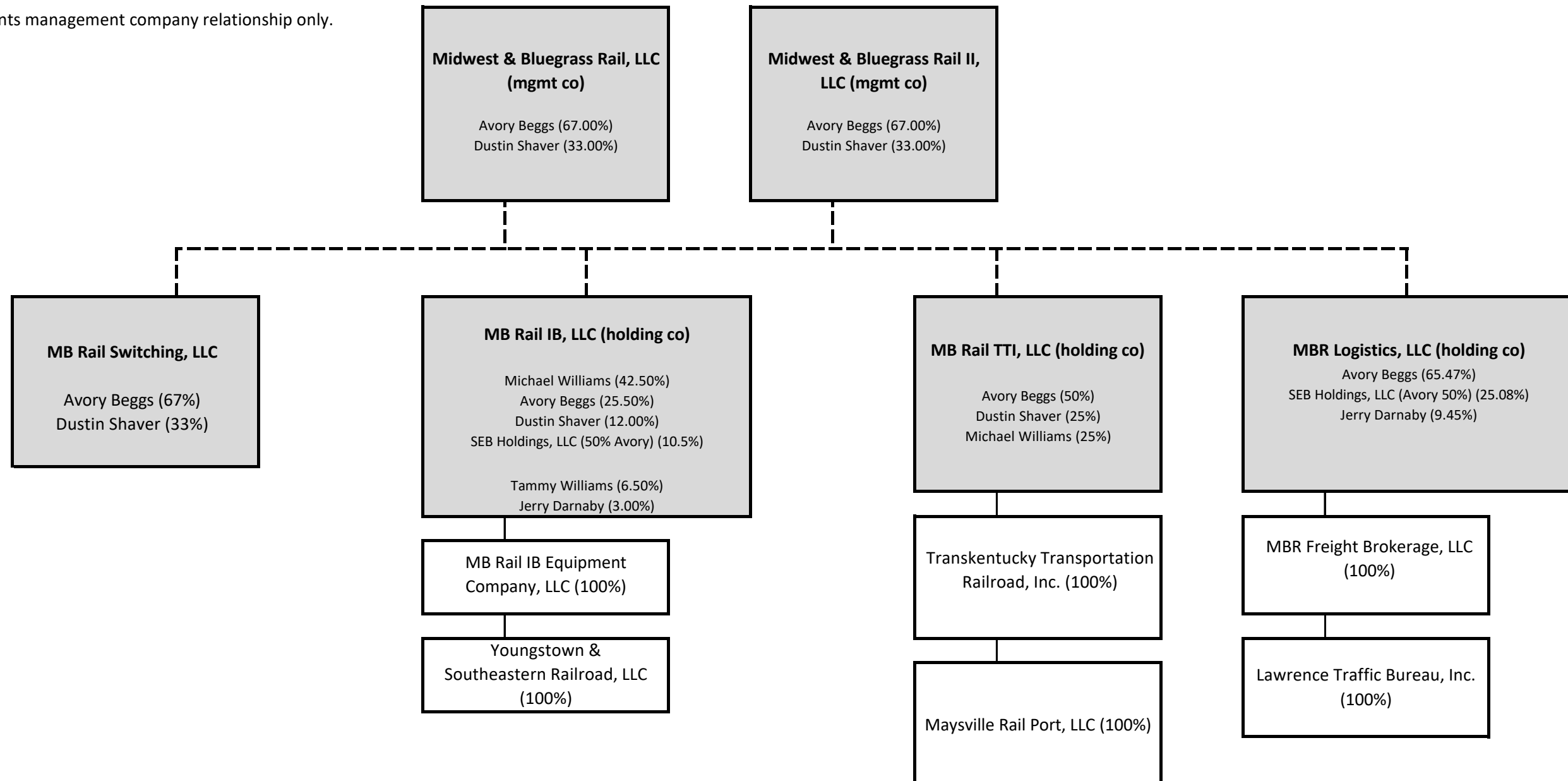
EXHIBIT B

MB RAIL ORGANIZATIONAL CHART



Organizational Chart

Dotted line represents management company relationship only.
No ownership.



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EXHIBIT C

**VERIFIED STATEMENT OF
MICHAEL W. WILLIAMS**

BEFORE THE SURFACE TRANSPORTATION BOARD

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FD 36848

VERIFIED STATEMENT OF MICHAEL W. WILLIAMS

I, Michael W. Williams, declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am the Petitioner in this proceeding, FD 36848, and I am making this statement to provide supplemental information as directed by the Surface Transportation Board (the “Board”) in its Order served on June 24, 2025 (the “June 24 Order”). I have read the accompanying Supplemental Filing and attest to the accuracy of the facts and factual claims contained therein, specifically those pertaining to my ownership interests, the structures of the entities discussed, and my relationship with Avory Beggs, to the best of my information and belief.
2. My daughter, Avory Beggs, and I are distinct individuals with separate personal and professional interests in railroad-related businesses. While we are related, and both hold ownership stakes in MB Rail IB, LLC (“MB Rail IB”) and MB Rail TTI, LLC (“MBRT”), our respective interests are independent of each other.

3. There is no membership agreement, shareholder agreement, or any other formal or informal contract or arrangement that binds Ms. Beggs and me to vote in unison or to act as a single block on any business issue involving companies in which we both have an ownership stake. Our decisions regarding our investments are made independently, based on our individual assessments and perspectives.
4. Indeed, Ms. Beggs and I can and do harbor differing perspectives and expectations with respect to the operation and strategic direction of entities like MB Rail IB and MBRT and indirectly, Youngstown & Southeastern Railroad, LLC ("YSE") and TransKentucky Transportation Railroad, Inc. ("TTI"). The Supplemental Filing reflects this testimony, explaining again that there is no distinct commonality or unity of cause or interest that would distinguish our separate ownership interests from those of unrelated members of the same entities.
5. For these reasons, it is my considered opinion that there is no valid basis to assume "joint control" of MB Rail IB or MB Rail TTI between myself and Ms. Beggs based on our familial relationship or our combined, non-contractually unified, ownership percentages. Control, as I understand it is defined by the Board, requires actual power or the ability to exercise control, and my relationship with Ms. Beggs does not, in fact, dictate that we jointly exercise such control as a single unit.

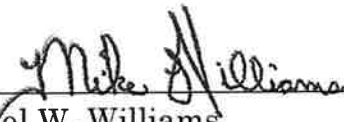
6. I understand that the Board's June 24 Order noted a past (and brief) shared business address between Midwest & Bluegrass Rail, LLC ("M&B Rail"), MB Rail IB, MBRT, and my own businesses. This arrangement was a temporary measure, an expedient arrangement offered as a courtesy and favor to my daughter due to the practical realities faced by small, entrepreneurial short line owners. My business address was used as a virtual clearinghouse for mail and correspondence, and it did not signify joint operational control, shared decision-making, or a lack of independence in my or Ms. Beggs' respective business affairs. Ms. Beggs and I no longer share a business address, and M&B Rail, MB Rail IB and MBRT have since established their own separate business address at 7450 W 130th Street, Suite 100, Overland Park, KS 66213.
7. Regarding M&B Rail, I do not have, nor have I ever had, an ownership stake in that company. I am not intimately familiar with its specific ownership mix and have only very recently learned of recent changes in its membership. The information I have arranged to supply regarding M&B Rail for the purposes of this Supplemental Filing reflects the most current and accurate details I have been able to secure through diligent inquiry.
8. Further emphasizing the independent nature of our respective business interests, I am not intimately familiar with Ms. Beggs' other railroad-related businesses beyond those entities where we share an ownership stake. My knowledge of her other ventures is limited to what she may choose to share

with me, consistent with the independent operation of our separate business affairs.

9. I reiterate my commitment to rectify any past regulatory oversight and to ensure full compliance with the Board's regulations going forward.

VERIFICATION

I, Michael W. Williams, hereby verify under penalty of perjury that I have read the Foregoing supplemental filing (the "Supplement") to which my verified statement ("Statement") is appended. I further verify that I have read the immediately foregoing statement (the "Statement") in support of the Supplement, that I know the contents of the Supplement and the foregoing Statement, and that the contents of each are true and correct to the best of my information and belief.



Michael W. Williams
Executed on July 14, 2025

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36848

MICHAEL W. WILLIAMS
– CONTROL EXEMPTION –
McCLOUD RAILWAY COMPANY, OZARK VALLEY
RAILROAD, INC., AND WASHINGTON & IDAHO RAILWAY, INC.

EXHIBIT D

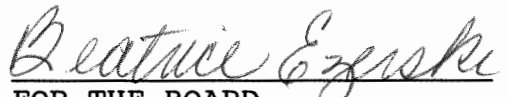
**RAILROAD RETIREMENT BOARD
COVERAGE DETERMINATION FOR
FREMONT WEST POINT & PACIFIC
RAILWAY, INC.**

EMPLOYER STATUS DETERMINATION**Fremont West Point & Pacific Railway, Inc.**

This is the determination of the Railroad Retirement Board regarding the status of Fremont West Point & Pacific Railway, Inc. (Fremont) as an employer under the Railroad Retirement Act (45 U.S.C. §231 et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.) (RUIA). Fremont has been a rail carrier employer (B.A. No. 2635) under the Acts, with service creditable from November 2, 1987.

Information about Fremont was furnished by Bruce F. Eveland, Manager of the Eastern Nebraska Chapter of the National Railway Historical Society (the Chapter). Mr. Eveland stated that Fremont was created as a paper entity by its owner, the Chapter, for the purpose of forming a for-profit freight-hauling railroad. Mr. Eveland indicated that Freemont, "which never owned a piece of equipment" hauled "several" loads of freight during its one year of existence, using volunteer labor from the Chapter's "membership core." Mr. Eveland stated that the Chapter decided not to renew Freemont's corporate status after March 31, 1988 and to allow it to dissolve. A certificate from the Secretary of State of Nebraska states that Freemont was dissolved for non-payment of taxes on April 16, 1988.

Based upon the information summarized above, it is determined that Freemont West Point & Pacific Railway, Inc. ceased to be an employer under the RRA and the RUIA effective April 16, 1988, the date on which the corporation was dissolved due to non-payment of taxes.



FOR THE BOARD
Beatrice Ezerski
Secretary to the Board

CERTIFICATE OF SERVICE

I hereby certify that I have this 14th Day of July, 2025, served a copy of the foregoing supplemental verified response of Michael W. Williams upon all parties of record in this proceeding via USPS first class mail or via more expeditious means of delivery where a party has supplied an email address.

/s/ *R. A. Wimbish*

Robert A. Wimbish

Attorney for Michael W. Williams