

EMPLOYER STATUS DETERMINATION
BGM Equipment Company, Inc.

This is the decision of the Railroad Retirement Board regarding the continued status of the BGM Equipment Company, Inc. (BGM) (B.A. No. 9622) 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).

Information in the file indicates that BGM was initially formed on December 23, 1986, and leased equipment, locomotives, truck, track equipment, and land to its affiliated carriers, Montana Western Railway Company, Inc. (B.A. No. 3653) and Rarus Railway Company (B.A. No. 3649), both of which are employers under the Acts.

In November 2008, the Chief of Compensation and Employer Services advised the Chief of Audit and Compliance that BGM was one of several employers that did not respond to inquiries made of them as an employer that sent reports with no employees in one or more years from 2003 through 2006. In response to a letter dated November 6, 2008, Mr. Matt McGrath, Director of Operations Integration for Rarus Railway Company (Rarus) advised that BGM had merged into Rarus effective October 1, 2007. A copy of the Articles of Merger and the written consent of the Board of Managers or Directors were provided with Mr. McGrath's letter.

According to the Articles of Merger, BGM (along with BGME, L.L.C., a non-covered entity) merged into Rarus, with Rarus as the surviving entity. The merger became effective on October 1, 2007.

The evidence of record establishes that BGM no longer possesses the characteristics of a railroad employer. The Board therefore finds that effective October 1, 2007, the effective date of the merger with Rarus Railway Company, BGM Equipment Company, Inc., ceased being a covered employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

Original signed by:

FOR THE BOARD
Beatrice Ezerski
Secretary to the Board