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EMPLOYER STATUS DETERMINATION
Rail Equipment & Transportation, Inc. d/b/a Nobles Rock Railroad Co. (RETI)

This is the determination of the Railroad Retirement Board concerning the continued status of Rail Equipment & Transportation, Inc. d/b/a Nobles Rock Railroad Co. (RETI), B.A. No. 9623, 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 from the coverage file for Nobles Rock Railroad, Inc. (NRRR) (BA No. 2650) shows that NRRR was incorporated in the State of Nevada on August 13, 1998 . On December 21, 1998, NRRR and its parent company, Cascade Railcorp, Inc. (Cascade), entered into a sublease/purchase agreement (Agreement), which stated that it became effective retroactively on April 1, 1998, with RETI and RETI's sole shareholders, Dirk Lenthe and William G. Dahlin. The Agreement provided that Cascade and NRRR would acquire stock ownership of RETI and secure a sublease for the operation of the Nobles Rock Railroad from RETI pending completion of the stock acquisition. RETI formerly operated the railroad and was found to be an employer covered under the RRA and RUIA. See B.C.D. No. 95-104. In Board Coverage Decision 99-41, NRRR was determined to have become an employer under the Acts effective December 21, 1998. Additionally, NRRR was determined to be the successor employer to RETI effective the same date.

Information regarding RETI was furnished by Shane B. Gebeke, Corporation Office Manager for M-BAR-D Railcar Tech., Inc. (MBARD). According to Mr. Gebeke, NRRR purchased all outstanding stock and assets of RETI. The information obtained regarding RETI suggests that all railroad trackage has been transferred from RETI to NRRR.

Section 202.11 (20 CFR 202.11) of the Board's regulations states that:

> The employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status.

The information summarized above indicates that RETI no longer possesses the characteristics of an operating railroad company. The Board therefore finds that effective with the close of business on December 21, 1998, the date on which NRRR entered into the sublease/purchase agreement with RETI, Rail Equipment & Transportation, Inc. d/b/a Nobles Rock Railroad Co. ceased being a covered employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. As noted above, the Board previously

determined in B.C.D. 99-41 that NRRR is the successor employer of RETI for purposes of experience rating under the RUIA. See 20 CFR §345.204.

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