

**EMPLOYER STATUS DETERMINATION****Coe Rail Inc.****n/k/a Michigan Airline Railway Company**

This is the determination of the Railroad Retirement Board concerning the continuing status of Coe Rail, Inc. (Coe) (B.A. No. 3266) 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). **Coe was initially found to be an employer under the RRA and RUIA with service creditable from August 23, 1984.** See Legal Opinion L-85-30.

Coe was originally a family-owned business, with Mr. and Mrs. Laurence Coe the owners and sole employees. In December 2006, Mr. Coe advised the agency that on June 2, 2006, Coe was sold. In a letter dated February 28, 2007, Mr. B. Allen Brown, President and CEO of Michigan Air-Line Railway (MAL), explained that Railmark Holdings, Inc., a non-carrier railroad holding company<sup>1</sup>, purchased 100% of the stock of Coe on June 2, 2006. On June 22, 2006, Railmark filed for a legal name change with the Michigan Secretary of State, changing the name of Coe to Michigan Air-Line Railway<sup>2</sup>.

In Surface Transportation Board Finance Docket No. 34902, MAL filed a notice of exemption to acquire and operate approximately 8.07 miles of rail line from Coe. MAL's terminal is located in Walled Lake, Michigan, and MAL interchanges with CSX in Wixom, Michigan. MAL provides freight rail services to two on-line customers, American Plastic Toys, Inc. and Stock Building Supply Company. MAL also serves an active rail-to-truck transfer facility on its line in Wixom, as well as providing power and crew to pull the Michigan Star Clipper Dinner Train. According to Mr. Brown, MAL spends 100% of its time doing rail carrier business; 50% of its revenue is derived from business with CSX Transportation, and the remaining 50% of revenue is derived from customers and real estate leases. Mr. Brown also explained that MAL assumed the existing employees of Coe as of June 2, 2006, as well as hiring two additional employees.

According to the information summarized above, it is clear that even though Railmark Holdings may now be the owner of the entity formerly known as Coe Rail, Inc., the entity itself is still an employer covered by the Acts. As Mr. Brown stated, "MAL and Coe Rail, Inc. is the same legal corporate entity, just with a name change". Accordingly, it is the decision of the Board that the company formerly known as Coe Rail, Inc. should now be known as Michigan Air-Line Railway Company. Reports should be filed under the same B.A. number used by Coe Rail, Inc.

Original signed by:

FOR THE BOARD  
Beatrice Ezerski  
Secretary to the Board

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<sup>1</sup> Railmark also owns Train Travel, Inc., Rail Freight Solutions, Inc. and Railmark Track Works, Inc.

<sup>2</sup> On June 28, 2006, an Amendment to the Articles of Incorporation for Coe Rail, Inc. was filed, changing the name of the entity to Michigan Air-Line Railway Company.