

**B.C.D. 13-04**

**February 15, 2013**

**EMPLOYER STATUS DETERMINATION**

**SLA Property Management, LTD  
(SLAP)**

This is a determination of the Railroad Retirement Board concerning the continuing status of SLA Property Management, LTD (SLAP) as an employer under the Railroad Retirement Act (45 U.S.C. §231 et seq.) and the Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.) (collectively, the “Acts”).

SLAP<sup>1</sup> (B.A. # 9631) has been an employer under the Railroad Retirement Act and Railroad Unemployment Insurance Act since July 1, 1989, the date from which SLAP was found to be under common control with Sisseton Milbank Railroad, Inc. (SMRI – BA #3661) as found in B.C.D. 00-46 dated November 7, 2000.

The latest coverage information in the file for SLAP was provided by Ralph Schmidt, the General Manager for SLAP. He served a letter dated August 20, 2012 on the Board’s Audit and Compliance Division which provided details and documentation of SLAP’s sale of all assets to Sisseton Milbank Railroad Company (SMRC).<sup>2</sup> Concurrent with this sale, Sisseton Milbank Railroad Company also acquired all of the assets of Sisseton Milbank Railroad, Inc. (SMRI - BA# 3661). Mr. Schmidt enclosed documents indicating the sale of all SLAP’s assets to SMRC, including a final accounting for dissolution of SLAP and STB Finance Docket Number 35641. The STB decision, decided June 26, 2012, determines that SMRC filed a verified notice of exemption to acquire from SLAP the interest to operate an approximately 37.1 mile rail line between milepost 0.9 in or near Milbank, South Dakota and milepost 38.0 in or near Sisseton, South Dakota. According to information from Mr. Schmidt, July 24, 2012 was the date SLAP operations ceased. More specifically, on July 24, 2012, SLAP sold its interest in the Sisseton to Milbank Railroad Branch Line, and this event

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<sup>1</sup> SLA Property Management has been referred to as SLAP and SLAM. This decision will refer to the entity as SLAP to reflect the abbreviation used most recently by Ralph Schmidt, the General Manager of SLAP in his correspondence with the Board.

<sup>2</sup> The status of SMRC is addressed in a separate coverage decision.

dissolved the limited partnership (i.e., SLAP) pursuant to the Agreement of Limited Partnership signed in 1982 to create SLAP.

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.

Information in our coverage files indicates that SLAP was formed for the sole purpose of acquiring all of the SMRI branch line. B.C.D. 00-46 noted that SLAP did not own any facilities and did not perform work for any other company as it received 100% of its revenue from SMRI freight car revenue. SLAP was formed March 30, 1982 but was not a covered employer until July 1, 1989 which was the date upon which SMRI, the rail carrier with which SLAP was under common control and for which SLAP performed services became an employer under the Acts. The evidence of record establishes that SLAP was dissolved on the date its assets were sold to SMRC.

The Board therefore finds that effective July 24, 2012, the date that SMRC acquired all of SLAP's assets, SLA Property Management, LTD ceased being a covered employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

Original signed by:

FOR THE BOARD  
Martha P. Rico  
Secretary to the Board