

**WALKILL VALLEY RAILROAD COMPANY**

**JOHN ETIEN RAIL**

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April 15, 1998

Mr. Vernon A. Williams  
Office of the Secretary  
United States Surface Transportation Board  
1925K Street, NW  
Washington, D.C. 20423-0001

**Re: FINANCE DOCKET No. 33388  
JOINT OWNERSHIP OF CONRAIL**

Dear Mr. Williams:

I am requesting the Secretary of the Surface Transportation Board ("STB") to enter this letter into the above referenced proceeding. I am also requesting status at this time and that this letter and the facts it presents be made part of the record.

The following constating instruments are available for all interested parties to substantiate the joint ownership of Conrail.

**No.1 CHARTER** The Walkill Valley Railway incorporated 14 April 1866 and filed with the New York Secretary of State on 26 April 1866. (available from NY Secretary of State)

**No.2 REORGANIZATION** The Walkill Valley Railroad documents filed with the New York Secretary of State on 26 June 1877.

**No.3 1899 LEASE** The lease in perpetuity between the Walkill Valley Railroad and the New York Central and Hudson River Railroad (predecessor of the New York Central Railroad) and filed with the New York Secretary of State on 13 April 1899.

**No.4 MERGER AGREEMENT** The merger of the Walkill Valley Railroad Company, et al. and the New York Central Railroad dated 13 February 1952 and filed with the New York Secretary of State.

**No.5 AFFIDAVIT OF TITLE** From the New York Central Railroad Company to the New York State Thruway Authority dated 22 March 1967.

**No.6 DEED** The sale by deed dated 27 June 1986 to John Ethan Rahl by Conrail, under corporate seal, vesting ownership of the Wallkill Valley Railroad (Line code 1435) with all right, title and interest, and being filed with the Ulster County Clerk's Office (State of New York) in the Book of Deeds, Liber 1620 at Page 0028.

**No.7 STATEMENT OF SALE** Jeremiah Flarety, Esq. being present at the closing, states the sale of the Wallkill Valley Railroad to John Ethan Rahl.

**No.8 CONRAIL NOTIFICATION** Conrail's CEO and President, Mr. J. Hagan was notified of the breach of the terms of the 1899 lease via certified mail dated 30 December 1992.

**No.9 I.C.C.** The I.C.C. Notice of Exemption for Certification of Convenience & Necessity, finance docket N. 32391, ruled on 20 June 1994 further upholds Wallkill Valley Railroad as a railroad corporation.

To the extent that approval of a buyout of Conrail by Norfolk Southern and CSX Railroads is in the hands of the STB, My claim to joint ownership must not only be considered before a final decision by the STB but, the above mentioned railroads must be put on notice that the rights of The Wallkill Valley Railroad Company passes to them as assigns and successors of the New York Central Railroad.

**Be it known:** Conrail's management has and continues, with scienter, to operate under Fraud through a scheme to keep certain knowledge of my joint ownership from the stockholders, the STB and all other interested parties.

This notification to the STB and all interested parties is to preserve and protect all of John Ethan Rahl's and Wallkill Valley Railroad's rights, property, interest, and privileges.

The following brief synopsis is based on the above documents:

The Wallkill Valley Railroad Company, hereinafter "Wallkill" or "WVRR", was chartered in 1866 pursuant to the New York General Railroad Act of 1850. Wallkill reorganized in 1877. This provided Wallkill the privilege to be reassigned and to be re-entered as a corporation. The same is so directed by the terms of the Lease of 1899.

The 1899 Lease in perpetuity explicitly obligates the New York Central and Hudson River Railroad (NYC&HRR), its successors or assigns to maintain Wallkill's Charter and to replace any property of Wallkill's back to its original condition at the time of the agreement (lease) or to replace it with property of equal and like value, otherwise, all rights revert back to Wallkill.

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The terms of the lease fully maintain Wallkill's rights and privileges intact to date. Conrail assumed the liability for the lease when it acquired the property of the Penn Central Railroad pursuant to the Regional Railroad Revitalization Act of 1973, Section 303(b). Conrail breached the lease upon the removal of the track on Wallkill (line code 1435) and failed to replace it with property of equal value as per the terms of the lease.

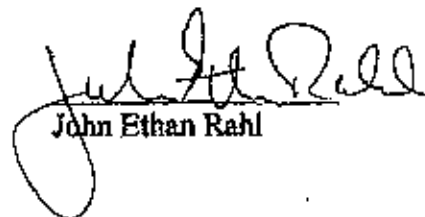
The Merger of 1952 between Wallkill and the New York Central Railroad Company created joint ownership.

The sale of Wallkill, under corporate seal, to John Ethan Rahl in fee simple absolute, is an interest to all of Conrail's east coast operating rights and half of the assets of the New York Central Railroad, including Conrail stock, and assets of all other assigns of the NYC&HRR.

In conclusion, the rights, property, and privileges reverted back to Wallkill by Conrail's breach of the 1899 Lease. John Ethan Rahl, as 95% owner of the Wallkill Valley Railroad Company, and through; the Charter of 1866, Lease of 1899, Merger of 1952, 1986 Deed to Rahl, Vested Rights, Statutes of Use that run with the land by Touch and Consent; NYS Constitution Art. 1, Sec. 1 - Law of the Land, NYS General Railroad Law Chapter 140 of 1850, revised; (1858) chapter 18, title 13 Sec. 32; Obligation of Contracts guaranteed, indefeasible and protected by Article I, Sec. 10 of the U. S. Constitution, and Impairing Obligation of Contracts. **I NOW ASSERT THESE RIGHTS.** Therefore, Conrail is now permanently barred to these rights by the operation of law.

**WHEREFORE**, I respectfully request and demand the STB to protect Wallkill's rights property and assets.

Respectfully submitted,

  
John Ethan Rahl

Dated: 15 April 1998  
Rosendale, NY

Sworn to before me this  
15 day of April 1998

  
NOTARY PUBLIC

