

EMPLOYER STATUS DETERMINATION

**Southwestern Michigan Railroad Company, Inc.
d/b/a Kalamazoo, Lakeshore & Chicago Railroad**

This is the determination of the Railroad Retirement Board concerning the continued status of the Southwestern Michigan Railroad Company, Inc. d/b/a Kalamazoo, Lakeshore & Chicago Railroad (KLCR) 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). The KLCR was ruled to be an employer under the Acts administered by the Board effective October 30, 1987.

On February 28, 1994 an involuntary bankruptcy was filed against the KLCR. The Board filed its priority claim for unpaid contributions under the RUIA on July 14, 1994. On November 2, 1996, the Board's claim was paid in full. Pursuant to the bankruptcy court's order for liquidation, all operating assets of the KLCR were sold in October, 1995. The Bankruptcy trustee is now in the process of liquidating the remaining marketable securities. It is expected that the case will not close until April 1997. The KLCR ceased all operations and employees were last compensated by the end of October 1995. The KLCR, although not formally dissolved, is no longer capable of operating as a rail carrier because it has virtually no assets and no employees.

In accordance with the information summarized above, it is the Board's determination that the Southwestern Michigan Railroad Company, Inc. d/b/a Kalamazoo, Lakeshore & Chicago Railroad ceased being an employer under the RRA and RUIA as of the close of business on October 31, 1995, the last day on which it compensated employees.

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