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UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

PATRIOT RAIL CORP., a Delaware  
corporation,  
  
Plaintiff,  
  
v.  
  
SIERRA RAILROAD COMPANY, a  
California corporation,  
  
Defendant.  
  
\_\_\_\_\_  
And Related Counterclaim.  
  
\_\_\_\_\_

CASE NO. 2:09-cv-00009-MCE-EFB  
ORDER AND RECOMMENDATION

1 ORDER

2 Plaintiff and Counter Defendant Patriot Rail Corp.’s (“Patriot”) Motion for Protective  
3 Order came on for hearing before this Court on June 16, 2010. The Court considered the papers  
4 in support of and in opposition to the Motion, the applicable law, the written and oral arguments  
5 of the parties, and its file in this matter. After full consideration of these materials and for good  
6 cause appearing, the Court issued a bench ruling granting in part, and denying in part, Patriot’s  
7 Motion. This written order confirms that bench ruling.

8 For the reasons stated at the June 16, 2010 hearing it is ordered as follows:

9 1. The subpoenas issued to UBS Investment Bank, Goldman Sachs Group, Inc., and  
10 The Andersons, Inc. (“Banks”) will be narrowed to seek only the specific documents stated in  
11 the requests below.

12 2. Sierra will issue a copy of this Order to each Bank, and will confirm that any  
13 production made before delivery of this Order is returned so that it may be reviewed for  
14 compliance with this Order.

15 3. Sierra will also instruct each Bank that documents related to a certain publicly  
16 traded company should be excluded from any production. This communication will be made  
17 confidential to protect that company’s identity, and is accordingly not mentioned in this Order.

18 3. The Parties will prepare, execute and submit a stipulation and proposed order for  
19 a limited extension of the discovery cut-off to permit the Banks to respond to the subpoenas  
20 should the Banks be unable to do so before the present discovery cut-off. This stipulation shall  
21 also apply to the production required by the Fifth Third Bank, consistent with the parties’  
22 agreement.

23 SPECIFIC REQUESTS FOR PRODUCTION

24 REQUEST FOR PRODUCTION NO. 1:

25 Any and all DOCUMENTS RELATED TO SIERRA.

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1 REQUEST FOR PRODUCTION NO. 2:

2 Any and all DOCUMENTS RELATED TO any proposed transaction between PATRIOT  
3 and SIERRA.

4 REQUEST FOR PRODUCTION NO. 3:

5 Any and all DOCUMENTS RELATED TO PATRIOT'S proposed or actual operation of  
6 any railroad operations involving McClellan Business Park, Sacramento Valley Railroad, Sierra  
7 Railroad Company, Sierra Northern Railway, Sierra Entertainment, Yolo Shortline Railway, the  
8 Oakdale-Riverbank Line (Oakdale to Sonora), the Woodland line (Woodland to West  
9 Sacramento), the Santa Cruz line, Mendocino Railway, Port of West Sacramento (formerly  
10 known as Port of Sacramento), the Riverbank Army Arsenal, Concord Naval Station, and Sierra  
11 Energy. Should the responding party be unsure if a document or certain information is  
12 responsive to this request, responding party will contact counsel for Parties to assist in making  
13 such determination.

14 REQUEST FOR PRODUCTION NO. 4:

15 Any and all DOCUMENTS RELATED TO any request for financing YOU received  
16 from PATRIOT, including but not limited to the refinancing of any existing debt (during 2007  
17 and 2008) or new acquisition financing (from May 1, 2007 through 2009) except documents  
18 relating to the certain publicly traded company mentioned in paragraph three above.

19 REQUEST FOR PRODUCTION NO. 5:

20 Any and all DOCUMENTS RELATED TO COMMUNICATIONS with PATRIOT  
21 RELATED TO SIERRA.

22 REQUEST FOR PRODUCTION NO. 6:

23 Any and all DOCUMENTS RELATED TO any request by PATRIOT that YOU fund a  
24 transaction wherein PATRIOT was to purchase McClellan Business Park, Sacramento Valley  
25 Railroad, Sierra Railroad Company, Sierra Northern Railway, Sierra Entertainment, Yolo  
26 Shortline Railway, the Oakdale-Riverbank Line (Oakdale to Sonora), the Woodland line  
27 (Woodland to West Sacramento), the Santa Cruz line, Mendocino Railway, Port of West  
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1 Sacramento (formerly known as Port of Sacramento), the Riverbank Army Arsenal, Concord  
2 Naval Station, and Sierra Energy. Should the responding party be unsure if a document or  
3 certain information is responsive to this request, responding party will contact counsel for Parties  
4 to assist in making such determination.

5 REQUEST FOR PRODUCTION NO. 7:

6 Any and all DOCUMENTS RELATED TO any request by PATRIOT that YOU fund, or  
7 otherwise assist in, PATRIOT's proposed or actual operation of McClellan Business Park,  
8 Sacramento Valley Railroad, Sierra Railroad Company, Sierra Northern Railway, Sierra  
9 Entertainment, Yolo Shortline Railway, the Oakdale-Riverbank Line (Oakdale to Sonora), the  
10 Woodland line (Woodland to West Sacramento), the Santa Cruz line, Mendocino Railway, Port  
11 of West Sacramento (formerly known as Port of Sacramento), the Riverbank Army Arsenal,  
12 Concord Naval Station, and Sierra Energy. Should the responding party be unsure if a document  
13 or certain information is responsive to this request, responding party will contact counsel for  
14 Parties to assist in making such determination.

15 REQUEST FOR PRODUCTION NO. 8:

16 Any and all DOCUMENTS RELATED TO PATRIOT'S financial ability to fund an  
17 acquisition of approximately \$18,000,000 for the purchase of McClellan Business Park,  
18 Sacramento Valley Railroad, Sierra Railroad Company, Sierra Northern Railway, Sierra  
19 Entertainment, Yolo Shortline Railway, the Oakdale-Riverbank Line (Oakdale to Sonora), the  
20 Woodland line (Woodland to West Sacramento), the Santa Cruz line, Mendocino Railway, Port  
21 of West Sacramento (formerly known as Port of Sacramento), the Riverbank Army Arsenal,  
22 Concord Naval Station, and Sierra Energy. Should the responding party be unsure if a document  
23 or certain information is responsive to this request, responding party will contact counsel for  
24 Parties to assist in making such determination.

25 REQUEST FOR PRODUCTION NO. 9:

26 Any and all DOCUMENTS RELATED TO Sacramento Valley Railroad, Inc.  
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1 REQUEST FOR PRODUCTION NO. 10:

2 Any and all DOCUMENTS RELATED TO YOUR denying any request for financing  
3 identified above in Requests 1-9 YOU received from PATRIOT for any financing from May 1,  
4 2007 to the present.

5 REQUEST FOR PRODUCTION. 11

6 Any and all DOCUMENTS related to any interest YOU had in investing in PATRIOT in  
7 or around 2008.

8 REQUEST FOR PRODUCTION NO. 12:

9 Any and all DOCUMENTS RELATED TO McClellan Business Park.

10 REQUEST FOR PRODUCTION NO. 13:

11 Any and all DOCUMENTS RELATED TO any financing YOU provided to PATRIOT,  
12 including refinancing, relating to Plainfield Asset Management, LLC. Should responding party  
13 produce any documents responsive to this request, the documents will be redacted to omit any  
14 information except for information that is specifically responsive to this request. For example, if  
15 responsive information is contained in documents that also contain financial information  
16 regarding Patriot's individual railroads, the information regarding Patriot's railroads, other than  
17 Sacramento River Railroad or McClellan, will be redacted.

18 REQUEST FOR PRODUCTION NO. 14:

19 Any and all DOCUMENTS RELATED TO any financing YOU provided to PATRIOT  
20 relating to Sacramento Valley Railroad, Inc.

21 REQUEST FOR PRODUCTION NO. 15:

22 Any and all DOCUMENTS RELATED TO the amount, if any, of investment YOU were  
23 willing to make in PATRIOT from May 1, 2007 through the present.

24 REQUEST FOR PRODUCTION NO. 16:

25 Any and all DOCUMENTS PATRIOT provided to YOU regarding due diligence for  
26 YOUR potential investment in PATRIOT in or around 2008 that refer or relate McClellan  
27 Business Park, Sacramento Valley Railroad, Sierra Railroad Company, Sierra Northern Railway,  
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1 Sierra Entertainment, Yolo Shortline Railway, the Oakdale-Riverbank Line (Oakdale to Sonora),  
2 the Woodland line (Woodland to West Sacramento), the Santa Cruz line, Mendocino Railway,  
3 Port of West Sacramento (formerly known as Port of Sacramento), the Riverbank Army Arsenal,  
4 Concord Naval Station, and Sierra Energy. Should the responding party be unsure if a document  
5 or certain information is responsive to this request, responding party will contact counsel for  
6 Parties to assist in making such determination.

7 Should responding party produce any documents responsive to this request, the  
8 documents will be redacted to omit any information except for information that is specifically  
9 responsive to this request. For example, if responsive information is contained in documents that  
10 also contain financial information regarding Patriot's individual railroads, the information  
11 regarding Patriot's railroads, other than Sacramento River Railroad or McClellan, will be  
12 redacted.

13 REQUEST FOR PRODUCTION NO. 17:

14 Any and all DOCUMENTS RELATED TO the manner in which YOU valued  
15 PATRIOT's assets, including but not limited to a multiple of Earnings Before Interest, Taxes,  
16 Depreciation, and Amortization ("EBITDA"), the items included in calculating EBITDA, and the  
17 multiple(s) used.

18 REQUEST FOR PRODUCTION NO. 18:

19 Any and all DOCUMENTS RELATED TO the manner in which PATRIOT valued  
20 PATRIOT's assets, including but not limited to a multiple of EBITDA, the items included in  
21 calculating EBITDA, and the multiple(s) used.

22 REQUEST FOR PRODUCTION NO. 19:

23 Any and all DOCUMENTS RELATED TO any proposal YOU made to PATRIOT  
24 RELATED TO YOU investing in PATRIOT in or around 2008 or 2009.

25 It is so ORDERED.

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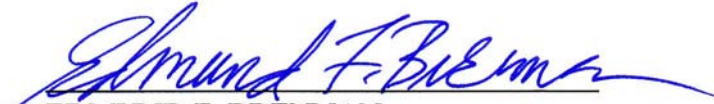
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1 RECOMMENDATION

2 Further, it is hereby RECOMMENDED that the discovery deadline be extended for the  
3 limited purpose of enforcing this order.

4 This recommendation is submitted to the United States District Judge assigned to this  
5 case, pursuant to 28 U.S.C. § 636 and Local Rules 302 & 304.

6 DATED: June 21, 2010

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8 EDMUND F. BRENNAN  
9 UNITED STATES MAGISTRATE JUDGE  
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