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US Railcar to Resume Production of Former Colorado Railcar DMU

Private investors affiliated with **Value Recovery Group, Inc.** (VRG) of Columbus, OH, have acquired the Colorado Railcar DMU and will resume manufacturing this modern domestically produced passenger train in a new manufacturing facility to be established later this year. Assets acquired by US Railcar include the former Colorado Railcar DMU proprietary rights and information, manufacturing documentation, inventory, tooling, fixtures/jigs and other equipment necessary for production.

According to VRG Chairman & CEO Barry H. Fromm, "US Railcar intends to reestablish passenger train production in the United States." Currently, passenger trains purchased in the U.S. today are produced by European and Asian suppliers typically importing 40 of content from overseas. "We want to keep American jobs and U.S. public investment at home," said Fromm. "There is a major commitment by the Obama Administration and the Congress to make investments in intercity and high-speed rail to promote economic growth and mobility, create jobs, conserve energy and address climate change. This opens a new era for passenger trains and railcar manufacturing in the United States."

US Railcar, LLC will be led by Michael P. Pracht, its President & CEO, a rail industry veteran with extensive past experience at two of the world's leading rail transportation companies, Siemens and Ansaldo. US Railcar will manufacture both single- and bi-level Diesel Multiple Units (DMUs) which are self-propelled railcars eliminating the need for more costly locomotive-hauled push/pull trains in lower density corridors. Both platforms are fully compliant with existing Federal Railroad Administration (FRA) safety standards for crashworthiness as established by Department of Transportation 49 CFR Part 238 and approved for immediate use on the national rail system.

Unlike European & Asian DMUs, the US Railcar DMU can operate in all mixed-mode freight corridors throughout the country without waivers and/or temporal separation agreements currently required for non-compliant foreign platforms. "There are extraordinary growth opportunities for passenger rail development," said US Railcar CEO Mike Pracht. "The US Railcar DMU will enable new cost-effective passenger rail service across a range of corridors and routes, all with a proven, existing equipment platform already in service."

The US Railcar DMU was prototyped through a demonstration project in 2002 and is currently the only FRA-compliant DMU operating in revenue service in North America. Available in both regional and intercity configurations, the US Railcar DMU is uniquely suited for incremental corridor development at speeds from 79-to-90 mph. Platform enhancements currently anticipated include a diesel-electric upgrade, increasing speeds to 125 mph, making this American-made DMU the ideal solution for both mature and emerging passenger rail agencies around the country.

VRG is an asset recovery and management firm that specializes in asset management, advisory and asset recovery services for state and local governments, commercial banks, private investors and several federal agencies, including the FDIC. VRG also manages a brownfield remediation and redevelopment partnership and serves as consultant to advanced energy programs for state and federal agencies. More information about Value Recovery Group can be found at www.valuerecovery.com. US Railcar's website www.usrailcar.com is currently under development.

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