IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

BRIAN T. FORD, Individually and On Behalf of All Others Similarly Situated,	)	
Plaintiff,	)	
v.	)	Civil Action No. _____
RAILAMERICA, INC., JOSEPH P. ADAMS, JR., WESLEY R. EDENS, JOHN E. GILES, PAUL R. GOODWIN, VINCENT T. MONTGOMERGY, RAY M. ROBINSON, ROBERT SCHMIEGE, GENESEE & WYOMING INC., and JAGUAR ACQUISITION SUB INC.,	)	
Defendants.	)	

VERIFIED CLASS ACTION COMPLAINT

Plaintiff, by his undersigned attorneys, for this Verified Class Action Complaint against defendants, alleges upon personal knowledge with respect to himself and upon information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

NATURE OF THE ACTION

1. This is a class action on behalf of the public shareholders of RailAmerica, Inc. ("RailAmerica" or the "Company") against RailAmerica and its Board of Directors (the "Board" or the "Individual Defendants"), to enjoin a proposed transaction announced on July 23, 2012 (the "Proposed Transaction"), pursuant to which RailAmerica will be acquired by Genesee & Wyoming Inc. ("Parent") and its wholly owned subsidiary, Jaguar Acquisition Sub Inc. ("Merger Sub," and collectively with Parent, "GWI"), in an all-cash transaction for $27.50 per share in cash, without interest. The Proposed

Transaction is valued at approximately $1.39 billion. On July 23, 2012, the Board caused RailAmerica to enter into an agreement and plan of merger (the "Merger Agreement") with GWI. Pursuant to the Merger Agreement, Merger Sub will merge with and into the Company, with the Company continuing as the surviving entity, which will become a wholly owned subsidiary of Parent.

2. The Proposed Transaction is the product of a flawed process that resulted from the Board's failure to maximize shareholder value and deprives RailAmerica's public shareholders of the ability to participate in the Company's long-term prospects. Furthermore, in approving the Merger Agreement, the Individual Defendants breached their fiduciary duties to plaintiff and the Class (defined herein). Moreover, as alleged herein, RailAmerica and GWI aided and abetted the Individual Defendants' breaches of fiduciary duties.

3. Plaintiff seeks enjoinment of the Proposed Transaction or, alternatively, rescission of the Proposed Transaction in the event defendants are able to consummate it.

THE PARTIES

4. Plaintiff is, and has been continuously throughout all times relevant hereto, the owner of RailAmerica common stock.

5. Defendant RailAmerica is a Delaware corporation and maintains its principal executive offices at 7411 Fullerton Street, Suite 300, Jacksonville, Florida 32256. The Company owns and operates short line and regional freight railroads in North America, operating a portfolio of forty-five individual railroads with approximately 7,500 miles of track in twenty-eight U.S. states and three Canadian

provinces. RailAmerica's common stock is traded on the NYSE under the ticker symbol "RA."

6. Defendant Joseph P. Adams, Jr. ("Adams") has served as a RailAmerica director since October 12, 2009 and is the Company's Deputy Chairman.

7. Defendant Wesley R. Edens ("Edens") has served as a RailAmerica director since October 12, 2009 and is Chairman of the Board.

8. Defendant John E. Giles ("Giles") has served as a RailAmerica director since April 14, 2010 and as the Company's President and Chief Executive Officer ("CEO") since February 20, 2007.

9. Defendant Paul R. Goodwin ("Goodwin") has served as a RailAmerica director since October 12, 2009. According to the Company's website, Goodwin is Chair of the Company's Audit Committee and is a member of the Compensation Committee and the Nominating, Corporate Governance and Conflicts Committee.

10. Defendant Vincent T. Montgomery ("Montgomery") has served as a RailAmerica director since October 12, 2009. According to the Company's website, Montgomery is Chair of the Company's Nominating, Corporate Governance and Conflicts Committee and is a member of the Audit Committee.

11. Defendant Ray M. Robinson ("Robinson") has served as a RailAmerica director since April 14, 2010. According to the Company's website, Robinson is a member of the Company's Compensation Committee and the Nominating, Corporate Governance and Conflicts Committee.

12. Defendant Robert Schmiege ("Schmiege") has served as a RailAmerica director since October 12, 2009. According to the Company's website, Schmiege is Chair of the Company's Compensation Committee and is a member of the Audit Committee.

13. Defendant Parent is a Delaware corporation and maintains its principal executive offices at 66 Field Point Road, Greenwich, Connecticut 06830. The company owns and operates short line and regional freight railroads and provides railcar switching services in the United States, Australia, Canada, the Netherlands and Belgium. Operations currently include sixty-six railroads organized in ten regions, with more than 7,600 miles of owned and leased track, and approximately 1,400 additional miles under track access arrangements.

14. Defendant Merger Sub is a Delaware corporation and is a wholly-owned subsidiary of Parent that was created for the sole purpose of effecting the Proposed Transaction.

15. The defendants identified in paragraphs 6 through 12 are collectively referred to herein as the previously-defined "Individual Defendants." By virtue of their positions as directors and/or officers of RailAmerica, the Individual Defendants are in a fiduciary relationship with plaintiff and the other public shareholders of RailAmerica, and owe plaintiff and RailAmerica's public shareholders the highest obligations of loyalty, good faith, fair dealing, due care, and full and fair disclosure.

16. Each of the Individual Defendants at all times had the power to control and direct RailAmerica to engage in the misconduct alleged herein. The Individual

Defendants' fiduciary obligations required them to act in the best interest of plaintiff and all RailAmerica shareholders.

17. Each of the Individual Defendants owes fiduciary duties of loyalty, good faith, fair dealing, due care, and full and fair disclosure to plaintiff and the other members of the Class. They are acting in concert with one another in violating their fiduciary duties as alleged herein, and, specifically, in connection with the Proposed Transaction.

18. The Company's public shareholders must receive the maximum value for their shares through the Proposed Transaction. Plaintiff alleges herein that the Individual Defendants, separately and together, in connection with the Proposed Transaction, violated and are continuing to violate the fiduciary duties they owe to plaintiff and the Company's other public shareholders, due to the fact that they have engaged in all or part of the unlawful acts, plans, schemes, or transactions complained of herein.

CLASS ACTION ALLEGATIONS

19. Plaintiff brings this action on his own behalf and as a class action, pursuant to Court of Chancery Rule 23, on behalf of himself and the public shareholders of RailAmerica (the "Class"). Excluded from the Class are defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any defendant.

20. This action is properly maintainable as a class action.

21. The Class is so numerous that joinder of all members is impracticable. As of July 24, 2012, there were 50,394,437 shares of RailAmerica common stock outstanding, held by hundreds, if not thousands, of individuals and entities scattered throughout the country.

22. Questions of law and fact are common to the Class, including, among others:

a. Whether defendants have breached their fiduciary duties owed to plaintiff and the Class; and

b. Whether defendants will irreparably harm plaintiff and the other members of the Class if defendants' conduct complained of herein continues.

23. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class and plaintiff has the same interests as the other members of the Class. Accordingly, plaintiff is an adequate representative of the Class and will fairly and adequately protect the interests of the Class.

24. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class that would establish incompatible standards of conduct for defendants, or adjudications with respect to individual members of the Class that would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

25. Defendants have acted, or refused to act, on grounds generally applicable, and are causing injury to the Class and, therefore, final injunctive relief on behalf of the Class as a whole is appropriate.

SUBSTANTIVE ALLEGATIONS

Background

26. RailAmerica is a leading owner and operator of short line and regional freight railroads in North America, operating a portfolio of forty-five individual railroads with approximately 7,500 miles of track in twenty-eight U.S. states and three Canadian provinces. The Company's railroad portfolio represents an important component of North America's transportation infrastructure, carrying large quantities of freight for a highly diverse customer base.

27. In 2011, RailAmerica's railroads transported approximately 840,000 carloads of freight for approximately 1,500 customers, hauling a wide range of products such as farm and food products, lumber and forest products, paper and paper products, metals, chemicals and coal. Since its founding in 1992, RailAmerica has grown through the expansion of the traffic base on its existing railroads and through acquisitions of additional North American railroads and railroad-related properties.

28. According to its Annual Report filed on Form 10-K with the Securities and Exchange Commission ("SEC") on February 23, 2012, the Company's stated business strategy is "to grow our revenue, cash flow and earnings" by employing the following growth strategies: (i) developing business opportunities at its individual railroads; (ii) expanding non-freight services offered to rail customers; (iii) acquiring additional short line and regional railroads, or other railroad- or transportation-related businesses; and (iv) pursuing various cost-saving initiatives.

29. Over the past year, RailAmerica has taken significant steps to meet its stated objective of expanding its business, including several acquisitions and strategic alliances with other rail companies. These efforts have recently paid off and have led to the substantial growth of the Company.

30. In a press release dated July 27, 2011, the Company announced its financial results for the second quarter ended June 30, 2010. Among other things, the Company reported that revenue increased 17% to $139.2 million from $119.5 million in the second quarter of 2010. Freight revenue increased 7% to $105.6 million with average revenue per car up 11% and carloads down 3%. Non-freight revenue increased 59% to $33.6 million. Excluding acquisitions, non-freight revenue increased 21% versus second quarter 2010. In addition, RailAmerica reported income from continuing operations of $8.7 million, or $0.17 per diluted share, compared to a loss from continuing operations of $4.2 million, or $0.08 per diluted share in the second quarter of 2010.

31. According to Individual Defendant Giles, the Company's:

> second quarter ***financial performance was strong*** despite persistent weather challenges, low coal volumes and fuel price pressures. By controlling costs and capitalizing on non-freight revenue and pricing opportunities, we increased operating income 16% excluding the impact of 45G credits, asset sales and impairments. This represents ***a record second quarter for RailAmerica***. On the strategic front, I continue to be ***optimistic about our growing pipeline of acquisition and industrial development opportunities***.

(Emphasis added).

32. On October 25, 2011, the Company announced its financial results for the third quarter ended September 30, 2011. Total revenues increased 9% to $139.7 million, from $128.3 million in the third quarter of 2010. Freight revenue increased 7% to $104.7

million with average revenue per car up 14% and carloads down 6%. Non-freight revenue increased 14% to $35.0 million. In addition, RailAmerica reported income from continuing operations of $9.1 million, or $0.17per diluted share, compared with $8.0 million, or $0.15 per diluted share in the third quarter of 2010.

33. Defendant Giles commented that "[t]his was ***another strong quarter*** for us. Operating income excluding 45G credits, impairments and asset sales increased 10%. We achieved these results through our continuing focus on pricing, non-freight revenue and productivity. Our success in these areas allowed us to perform well despite lower carloads and the temporary disruption of service on our New England Central Railroad from Hurricane Irene." (Emphasis added).

34. On February 1, 2012, RailAmerica announced that it had signed an agreement to acquire Marquette Rail LLC, based in Ludington, MI, for $40 million. The press release reported that Marquette interchanges with CSXT in Grand Rapids and serves customers primarily in the chemical, pulp and paper, and non-metallics industries, and operates 126 miles of track running from Grand Rapids, MI to Ludington and Manistee, MI. The Company further reported that it anticipates Marquette would generate approximately $13 million in revenue, $4 million in operating income (excluding closing costs) and $2 million in depreciation and amortization.

35. Commenting on the Proposed Transaction, defendant Giles said, "We are extremely pleased to add this property to our existing Michigan rail portfolio. The acquisition of Marquette represents ***an attractive opportunity*** to invest in a high quality franchise with a solid base of revenue from large, long-term customers and drive

substantial near-term growth from new developments on the line. In addition, the railroad is in close proximity to RailAmerica's existing Michigan operations, which we expect will ***create significant operating efficiencies***." (Emphasis added).

36. On the same day, February 1, 2012, the Company also announced that it would acquire a seventy-percent interest in the Wellsboro and Corning Railroad ("WCOR") and Industrial Waste Group ("IWG") from Myles Group, LLC ("Myles Group") for $18 million. According to the press release, RailAmerica expected WCOR and IWG combined to generate approximately $17 million in revenue, $3.5 million in operating income (excluding closing costs) and $1.3 million in depreciation and amortization over the twelve months of operations following the announcement.

37. The press release reported that the WCOR operates thirty-eight miles of track running from Wellsboro, PA to Corning, NY handling a variety of industrial products primarily used in the natural resources industry. The Company reported that it anticipated the WCOR to experience rapid traffic growth and expand its freight and non-freight services in support of the development of the Marcellus Shale natural gas industry.

38. The press release further reported that IWG performs transload, storage, and other value-added services for customers in the energy and waste management industries, and operates four transloading facilities located in Wellsboro, PA; Corning, NY; Toledo, OH; and Amelia, VA. The Company reportedly expected IWG to continue to grow by developing transload operations in new markets and extending its services throughout RailAmerica's network.

39. Defendant Giles, commenting on the acquisition, said:

> This is ***an exciting opportunity*** for both RailAmerica and Myles Group. The rail and transloading infrastructure at Wellsboro is uniquely located in the heart of the northern Marcellus Shale and represents ***a key asset*** in the transportation of both inbound and outbound products for major exploration and production companies. Both WCOR and IWG have established relationships and contracts with leading companies in the energy and related industries. The ***acquisition allows RailAmerica to gain direct exposure to the enormous potential in the area*** and also leverage the expertise of Myles Group in opening similar transload facilities throughout the country.

(Emphasis added).

40. Giles continued, "This transaction, along with our acquisition of the Marquette Railroad also announced today, is the result of our ongoing focus on growth through corporate development and strategic investments. ***We continue to pursue an active pipeline of opportunities and are optimistic about the outlook for additional accretive investments***." (Emphasis added).

41. In a press release dated February 8, 2012, the Company announced its financial results for the fourth quarter and full year ended December 31, 2011. Total revenues increased 15% to $147.3 million, from $127.6 million in the fourth quarter of 2010. Freight revenue increased 5% to $103.3 million with average revenue per car up 7% and carloads down 2%. Non-freight revenue increased 48% to $44 million. In addition, RailAmerica reported fourth quarter 2011 net income of $15.0 million, or $0.29 per diluted share. This compares to $17.9 million, or $0.33 per diluted share in the fourth quarter of 2010.

42. Commenting on these results, defendant Giles noted that "[O]ur ***solid finish*** to 2011 gives us significant momentum as we move into the new year. Operating income excluding 45G credits, impairments and asset sales increased 30% in the fourth quarter. This strong increase was driven by continued execution of our pricing and productivity initiatives combined with excellent non-freight revenue growth led by Atlas." (Emphasis added).

43. Giles continued, "Adding to the strong foundation of our core operations, we have achieved ***excellent traction in corporate development*** and continue making strides in reducing our debt costs. Last week we announced three investments—the acquisition of the Marquette Railroad and controlling investments in both the Wellsboro & Corning Railroad and the Industrial Waste Group, a transloading operation. In addition, we completed another $74 million redemption of our 9.25% senior notes and announced a tender offer for a substantial portion of the remaining senior notes." (Emphasis added).

44. On February 14, 2012, the Company announced a strategic alliance between its New England Central Railroad ("NECR"), part of the RailAmerica family, and the Providence & Worcester Railroad ("P&W"), a regional freight railroad operating in Massachusetts, Rhode Island, Connecticut and New York. The alliance was described as a new coordinated commercial and operating platform, called the Great Eastern Route, which would increase RailAmerica's collective business with both Canadian National and Canadian Pacific to rail customers in southern New England and would enhance its global access through the alliance's port facilities.

45. According to the press release, NECR and P&W's joint investments of significant capital in the infrastructure along with the States of Vermont, New Hampshire, Rhode Island and the federal government would enhance their service and, combined with this new commercial and operating relationship, would provide the basis for a greatly improved customer experience aimed at growing our collective business across all commodity lines.

46. On April 9, 2012, RailAmerica announced that it completed its acquisition of a seventy-percent interest in the WCOR and IWG from Myles Group for approximately $18 million.

47. In a press release dated April 25, 2012, the Company reported its financial results for the first quarter ended March 31, 2012. The Company reported that revenue increased 15% to $143.4 million from $124.9 million in the first quarter of 2011. Freight revenue increased 10% to $107.8 million with average revenue per car up 7% and carloads up 3%. Non-freight revenue increased 30% to $35.6 million. The Company also reported adjusted net income of $13.0 million, compared with $6.4 million for the first quarter of 2011.

48. Commenting on these results, defendant Giles said, "Our ***positive momentum continues to build*** as reflected in our record first quarter revenue and operating income excluding 45G benefits and asset sales. On a comparable basis, operating income was up 57% as we leveraged ***strong revenue growth and productivity gains***. During the quarter, we completed our senior notes tender / refinancing, which will

reduce our interest expense sharply while providing additional financial flexibility." (Emphasis added).

49. Defendant Giles continued, "We ***remain active in the corporate development area***, closing on the Wellsboro & Corning and its affiliated transload operations, TransRail North America, investment in early April. We expect to close on the Marquette Railroad acquisition in May, and ***our pipeline of additional opportunities remains promising***." (Emphasis added).

50. On May 1, 2012, RailAmerica announced that it completed its acquisition of Marquette Rail LLC for approximately $40 million.

51. On May 22, 2012, in response to market rumors, the Company announced that its Board was considering strategic alternatives, which may include a sale of the Company and was engaged in preliminary discussions with third parties regarding a potential sale of the Company. The Company further stated that it did not intend to make any additional comments on this matter unless and until a definitive agreement has been reached.

The Proposed Transaction

52. On July 27, 2012, GWI and RailAmerica jointly announced that they had entered into the Merger Agreement under which GWI will acquire RailAmerica in an all-cash transaction for $27.50 per share in case, without interest.

53. Given RailAmerica's increasingly strong performance and its potential for growth, the Proposed Transaction consideration is inadequate because it undervalues the

Company, as evident from RailAmerica's solid earnings results for the second quarter of 2012.

54. Shortly following announcement of the Proposed Acquisition, on July 25, 2012, RailAmerica announced its financial results for the second quarter ended June 30, 2012. Revenue increased 12% to $156.1 million, from $139.2 million in the second quarter of 2011. Freight revenue increased 8% to $113.6 million with average revenue per car up 4% and carloads up 4%. Non-freight revenue increased 26% to $42.5 million. In addition, RailAmerica reported second quarter 2012 net income of $11.4 million, or $0.23 per diluted share, compared with net income of $8.7 million, or $0.17 per diluted share in the second quarter of 2011.

55. In addition, the Proposed Transaction consideration fails to adequately compensate RailAmerica's shareholders for the significant synergies created by the merger. The Proposed Transaction is a strategic merger for GWI, which will reap the benefits of combining the two largest short line and regional rail operators in North America, increasing GWI's customer and commodity diversification, yielding significant synergies, providing strong leverage to the eventual recovery of the U.S. economy, and creating a powerful platform for future industrial development along railroads in the 37 U.S. states in which GWI will do business.

56. As GWI's President and CEO, Jack Hellmann, commented:

> The acquisition of RailAmerica by GWI is a straightforward combination of two organizations with overlapping holding company structures and complementary railroad geographies. As a result, ***the synergies between the companies are expected to be significant, and we anticipate unlocking significant shareholder value***. In addition, the transaction is transformational for our North American operations, as ***GWI will now***

> ***operate 108 railroads over more than 12,000 track miles***. From a commercial standpoint, we believe that this footprint not only provides us with ***strong leverage to any eventual recovery of the U.S. economy but also creates a powerful platform for future industrial development along railroads in the 37 U.S. states in which we will do business***. For our current customers, the combination will only strengthen our ability to offer what has long been the lifeblood of the short line industry: local, flexible, responsive operations with outstanding customer service. For our Class I partners, our commitment to service excellence, the intensity of our local marketing and commercial development, as well as our industry-leading safety record should be powerful long-term drivers of future rail traffic across all of our Class I connections. For our combined employee workforce, we will bring together the best attributes of GWI and RailAmerica to further sharpen business practices across all of our railroads to create an even stronger company for the long term. From a community standpoint, we will continue to embrace our core belief that railroads are uniquely woven into the fabric of the communities where we do business, and we will maintain an open dialogue with government officials and all stakeholders to foster local economic development. The timing of the transaction is excellent for us. First, we have now grown to the size and management capabilities to integrate RailAmerica successfully. Second, ***we anticipate locking in low long-term interest rates*** in the context of our [Bank of America – Merrill Lynch] debt commitment and then expect to rapidly de-lever our business through the powerful free cash flow of the combined company. Finally, we remain confident in our ability to execute our acquisition and investment strategy to sustain our long-term EPS growth target of 15% - 20%.

(Emphasis added).

57. The Board has unanimously approved the transaction to the detriment of the Company's shareholders. The terms of the Merger Agreement substantially favor GWI and are calculated to unreasonably dissuade potential suitors from making competing offers.

58. For example, the Individual Defendants have all but ensured that another entity will not emerge with a competing proposal by agreeing to a "No Solicitation" provision in Section 5.6 of the Merger Agreement, which prohibits the Individual

Defendants from soliciting alternative proposals and severely constrains their ability to communicate and negotiate with potential buyers who wish to submit or have submitted unsolicited alternative proposals. Section 5.6(a) of the Merger Agreement states, in relevant part:

> The Company agrees that (i) it and its officers and directors ***shall not***, (ii) its Subsidiaries and its Subsidiaries' officers and directors shall not and (iii) it shall cause its and its Subsidiaries' other Representatives and RR Acquisition Holding LLC not to, directly or indirectly, (A) ***solicit, initiate or knowingly encourage, or take any other action to knowingly facilitate, the making of any proposal that constitutes or is reasonably likely to lead to a Takeover Proposal*** (other than contacting or engaging in discussions with the Person making a Takeover Proposal or its representatives for the sole purpose of clarifying such Takeover Proposal) ***or (B) enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any Person any confidential information with respect to or that could reasonably be expected to lead to, any Takeover Proposal.*** The Company shall, and shall cause its Subsidiaries and direct its Representatives to, immediately cease and cause to be terminated all then existing discussions and negotiations with any Person conducted theretofore with respect to any Takeover Proposal, and shall request the prompt return or destruction of all confidential information previously furnished in connection therewith.

(Emphasis added).

59. Further, if the Company provides non-public information in response to a request by another party, Section 5.6(a) of the Merger Agreement also requires that the Company provide to GWI copies of all information that it makes available to any third party making a takeover proposal at the same time it is made available to such third party. Section 5.6(a) further provides:

> Notwithstanding the foregoing or anything else in this Agreement to the contrary, at any time prior to (i) in the event the Stockholders' Written Consent is delivered to the Company in accordance with Section 5.4(a), 11:59 p.m. New York City time on the Written Consent End Date, or (ii) in the event the Stockholders' Written Consent is not delivered to the

> Company in accordance with Section 5.4(a) and this Agreement is not terminated by Parent in accordance with Section 7.1(j), the date on which the Company Required Vote is obtained at the Company Stockholders' Meeting (the "Stockholder Approval Date"), ***in response to an unsolicited bona fide written Takeover Proposal***, if the Company has not breached its obligations under this Section 5.6(a) and if the Company Board of Directors determines (x) after consultation with, and taking into account the advice of, its financial advisor and outside counsel, that such Takeover Proposal constitutes or is reasonably likely to lead to a Superior Proposal and (y) after consultation with, and taking into account the advice of, its outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable Law, ***the Company may*** (and may authorize and permit its Subsidiaries, directors, officers, employees and Representatives to), subject to compliance with Section 5.6(c), ***(A) furnish information with respect to the Company and its Subsidiaries to the Person making such Takeover Proposal (and its Representatives) pursuant to a customary confidentiality agreement containing confidentiality provisions substantially similar to those set forth in the Confidentiality Agreement, provided that all such information has previously been provided to Parent or is provided to Parent prior to or substantially concurrently with the time it is provided to such Person***, and (B) participate in discussions and negotiations with the Person making such Takeover Proposal (and its Representatives) regarding such Takeover Proposal.

(Emphasis added).

60. Additionally, pursuant to Section 5.6(c) of the Merger Agreement, the Company must keep GWI informed with respect to competing proposals or requests for information from potential outside bidders. Section 5.6(c) provides:

> In addition to the obligations of the Company set forth in Section 5.6(a) and Section 5.6(b), the Company shall ***as soon as practicable advise Parent orally and in writing of the receipt of any Takeover Proposal or any request for information or other inquiry*** that the Company reasonably believes could lead to any Takeover Proposal after the date of this Agreement, ***the material terms and conditions of any such Takeover Proposal or request for information or other inquiry and the identity of the Person making any such Takeover Proposal or request for information or other inquiry***. The Company shall, subject to the fiduciary duties of the Company Board of Directors under applicable Law, ***keep Parent reasonably informed of any material developments with respect***

> ***to any such Takeover Proposal or request for information or other inquiry (including any material changes thereto***).

(Emphasis added).

61. Moreover, the Merger Agreement contains a highly restrictive "fiduciary out" provision permitting the Board to withdraw its approval of the Proposed Transaction under extremely limited circumstances, and grants GWI a "matching right" with respect to any "Superior Proposal" made to the Company. Section 5.6(b) provides:

> Neither the Company Board of Directors nor any committee thereof shall (i)(A) withdraw (or modify in a manner adverse to Parent), or publicly propose to withdraw (or modify in a manner adverse to Parent), the approval, recommendation or declaration of advisability by the Company Board of Directors or any such committee of this Agreement or the Merger (or take any other action or make any other public statement inconsistent with such recommendation) or (B) recommend the approval or adoption of, or approve or adopt, or publicly propose to recommend, approve or adopt, any Takeover Proposal (any action described in this clause (i) being referred to as an "Adverse Recommendation Change") or (ii) approve or recommend, or publicly propose to approve or recommend, or cause or permit the Company or any of its Subsidiaries to execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement or other similar agreement related to any Takeover Proposal, other than any confidentiality agreement referred to in Section 5.6(a). Notwithstanding the foregoing or anything else in this Agreement to the contrary, at any time prior to 11:59 p.m. New York City time on the Written Consent End Date (in the event the Stockholders' Written Consent is delivered to the Company in accordance with Section 5.4(a)) or the Stockholder Approval Date (in the event the Stockholders' Written Consent is not delivered to the Company in accordance with Section 5.4(a) and this Agreement is not terminated by Parent in accordance with Section 7.1(j)), as applicable, and subject to compliance with this Section 5.6(b)and Section 5.6(a), ***the Company Board of Directors may, if, after consultation with, and taking into account the advice of, its outside counsel, it determines that the failure to take such action would be inconsistent with its fiduciary duties under applicable Law, (1) make an Adverse Recommendation Change***; provided, that in the event the Stockholders' Written Consent is delivered to the Company in accordance with Section 5.4(a), the Company Board of Directors may not make an Adverse Recommendation Change

> after such Stockholders' Written Consent is so delivered, or (2) cause or permit the Company to terminate this Agreement in order to enter into a definitive agreement regarding a Superior Proposal; ***provided, however, that the Company Board of Directors shall not make an Adverse Recommendation Change, and the Company may not terminate this Agreement pursuant to clause (2) above, until after the third Business Day following Parent's receipt of written notice (a "Notice of Superior Proposal") from the Company advising Parent that the Company Board of Directors intends to take such action and specifying the reasons therefor, including the material terms and conditions of (and documents relating to) any Superior Proposal (and the identity of the Person making such Superior Proposal) that is the basis of the proposed action by such Company Board of Directors*** and a statement that the Company Board of Directors intends to terminate this Agreement pursuant to Section 7.1(d) ***and during such three Business Day period, if requested by Parent, the Company and its Representatives shall engage in good faith negotiations with Parent and its Representatives to, among other things, amend this Agreement and the Transaction Documents in such a manner that (i) any Takeover Proposal which was determined to constitute a Superior Proposal no longer is a Superior Proposal*** and (ii) the failure of the Company Board of Directors to make such Adverse Recommendation Change would no longer be inconsistent with its fiduciary duties under applicable Law (it being understood and agreed that (I) any amendment to the financial terms or any other material amendment of such Superior Proposal shall require a new Notice of Superior Proposal and a new three (3) Business Day period and (II) in determining whether to make an Adverse Recommendation Change or to cause or permit the Company to so terminate this Agreement, the Company Board of Directors shall take into account any changes to the financial or other terms of this Agreement and the other Transaction Documents proposed by Parent to the Company in response to a Notice of Superior Proposal or otherwise).

(Emphasis added).

62. Further locking up control of the Company in favor of GWI is Section 7.2 of the Merger Agreement, which contains a provision for a termination fee of $49 million payable by the Company to GWI if the Individual Defendants cause the Company to terminate the Merger Agreement pursuant to the lawful exercise of their fiduciary duties.

63. By agreeing to all of the deal protection devices, the Individual Defendants have locked up the Proposed Transaction and have precluded other bidders from making successful competing offers for the Company.

64. In sum, the consideration to be paid to plaintiff and the Class in the Proposed Transaction is unfair and grossly inadequate because, among other things, the intrinsic value of RailAmerica is materially in excess of the amount offered in the Proposed Transaction, and the consideration fails to adequately compensate the Company's shareholders for the significant synergies inherent in the Proposed Transaction for GWI.

65. The Proposed Transaction will deny Class members their right to share proportionately and equitably in the true value of the Company's valuable and profitable business, and future growth in profits and earnings, at a time when the Company is poised to increase its profitability.

66. As a result, defendants have breached the fiduciary duties they owe to the Company's public shareholders because the shareholders will not receive adequate or fair value for their RailAmerica common stock in the Proposed Transaction.

COUNT I

(Breach of Fiduciary Duties against the Individual Defendants)

67. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

68. As members of the Company's Board, the Individual Defendants have fiduciary obligations to: (a) undertake an appropriate evaluation of RailAmerica's net

worth as a merger/acquisition candidate; (b) take all appropriate steps to enhance RailAmerica's value and attractiveness as a merger/acquisition candidate; (c) act independently to protect the interests of the Company's public shareholders; (d) adequately ensure that no conflicts of interest exist between the Individual Defendants' own interests and their fiduciary obligations, and, if such conflicts exist, to ensure that all conflicts are resolved in the best interests of RailAmerica's public shareholders; (e) actively evaluate the Proposed Transaction and engage in a meaningful auction with third parties in an attempt to obtain the best value on any sale of RailAmerica; and (f) disclose all material information to the Company's shareholders.

69. The Individual Defendants have breached their fiduciary duties to plaintiff and the Class.

70. As alleged herein, the Individual Defendants have initiated a process to sell RailAmerica that undervalues the Company. In addition, by agreeing to the Proposed Transaction, Individual Defendants have capped the price of RailAmerica at a price that does not adequately reflect the Company's true value. Defendants also failed to sufficiently inform themselves of RailAmerica's value, or disregarded the true value of the Company, in an effort to benefit themselves. Furthermore, any alternate acquiror will be faced with engaging in discussions with a management team and Board that are committed to the Proposed Transaction.

71. As such, unless the Individual Defendants' conduct is enjoined by the Court, they will continue to breach their fiduciary duties to plaintiff and the other

members of the Class, and will further a process that inhibits the maximization of shareholder value.

72. Plaintiff and the members of the Class have no adequate remedy at law.

COUNT II

(Aiding and Abetting the Board's Breaches of Fiduciary Duties against RailAmerica and GWI)

73. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

74. Defendants RailAmerica and GWI knowingly assisted the Individual Defendants' breaches of fiduciary duties in connection with the Proposed Transaction, which, without such aid, would not have occurred. In connection with discussions regarding the Proposed Transaction, RailAmerica provided, and GWI obtained, sensitive non-public information concerning RailAmerica's operations and thus had unfair advantages that are enabling it to acquire the Company at an unfair and inadequate price.

75. As a result of this conduct, plaintiff and the other members of the Class have been and will be damaged in that they have been and will be prevented from obtaining a fair price for their RailAmerica shares.

76. Plaintiff and the members of the Class have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment and relief as follows:

A. Ordering that this action may be maintained as a class action and certifying plaintiff as the Class representative and plaintiff's counsel as Class counsel;

B. Preliminarily and permanently enjoining defendants and all persons acting in concert with them from proceeding with, consummating, or closing the Proposed Transaction;

C. In the event defendants consummate the Proposed Transaction, rescinding it and setting it aside or awarding rescissory damages to plaintiff and the Class;

D. Directing defendants to account to plaintiff and the Class for their damages sustained because of the wrongs complained of herein;

E. Awarding plaintiff the costs of this action, including reasonable allowance for plaintiff's attorneys' and experts' fees; and

F. Granting such other and further relief as this Court may deem just and proper.

Dated: August 2, 2012

RIGRODSKY & LONG, P.A.

By: */s/ Brian D. Long*

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