

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670
Chapter 11

NOTICE OF EXPEDITED INTERIM HEARING

Robert J. Keach, the chapter 11 trustee in the above-captioned case (the “Trustee”), has filed the *Chapter 11 Trustee’s Motion for Interim and Final Orders: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Priority Liens* (the “Motion”), and the *Motion for Expedited Hearing, Shortened Objection Period, and Limited Notice with Respect to Chapter 11 Trustee’s Motion for Interim and Final Orders: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Priority Liens* (the “Motion to Expedite”).

Pursuant to Federal Rule of Bankruptcy Procedure 4001(c)(2), the Trustee is requesting through the Motion that the Court authorize interim relief under the Motion until a final hearing may be held to consider final relief.

If you do not want the Court to approve the Motion to Expedite or the Motion on an interim basis, then on or before **February 10, 2014 at 10:00 a.m.**, you or your attorney must file with the Court a response or objection explaining your position. If you are not able to access the CM/ECF Filing System, then your response should be served upon the Court at:

Alec Leddy, Clerk
United States Bankruptcy Court for the District of Maine
202 Harlow Street
Bangor, Maine 04401

If you do have to mail your response to the Court for filing, then you must mail it early enough so that the Court will receive it **on or before February 10, 2014 at 10:00 a.m.**

You may attend the interim hearing with respect to the Motion scheduled to be held at the Bankruptcy Court, 202 Harlow Street, Bangor, Maine on **February 11, 2014 at 10:00 a.m.** If the Interim Motion is granted at that time, the Trustee shall serve a notice of (a) the entry of the interim order and (b) the scheduling of a final hearing on the Motion and the deadline for any objections to the approval of the Motion to be filed with the Court. If no objections are timely filed and served, then the Court may enter a final order approving the Motion without any further hearing.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought, and may enter an order granting the requested relief without further notice or hearing.

Dated: February 5, 2014

ROBERT J. KEACH
CHAPTER 11 TRUSTEE OF MONTREAL
MAINE & ATLANTIC RAILWAY, LTD.

By his attorneys:

/s/ Sam Anderson

Michael A. Fagone, Esq.

D. Sam Anderson, Esq.

BERNSTEIN, SHUR, SAWYER & NELSON

100 Middle Street

P.O. Box 9729

Portland, ME 04104-5029

Tel: (207) 774-1200

Fax: (207) 774-1127

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670
Chapter 11

**MOTION FOR EXPEDITED HEARING, SHORTENED OBJECTION PERIOD
AND LIMITED NOTICE WITH RESPECT TO CHAPTER 11 TRUSTEE'S
MOTION FOR INTERIM AND FINAL ORDERS: (A) AUTHORIZING
DEBTOR TO OBTAIN POST-PETITION FINANCING; AND
(B) GRANTING TO CAMDEN NATIONAL BANK
POST-PETITION PRIORITY LIENS**

Robert J. Keach, the chapter 11 trustee in the above-captioned case (the "Trustee"), hereby moves this Court for an expedited hearing, shortened objection period and approval of limited notice (the "Motion to Expedite") with respect to the Chapter 11 Trustee's Motion for Interim and Final Orders: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Priority Liens (the "Motion"). In support of the Motion to Expedite, the Trustee states as follows:

Jurisdiction and Venue

1. This Court has jurisdiction to entertain the Motion to Expedite pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The applicable rules relating to the relief sought in the Motion to Expedite are Rules 4001(c)(2) and 9013 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9013-1(i) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Maine (the "Local Rules").

Background

2. On August 7, 2013 (the "Petition Date"), Montreal Maine & Atlantic Railway, Ltd., the above-captioned debtor (the "Debtor") filed a voluntary petition for relief under chapter 11 of 11 U.S.C. § 101 et seq. [D.I. 1].

3. Also on August 7, 2013, the Debtor's wholly-owned subsidiary, Montreal Maine & Atlantic Canada Co. ("MMA Canada") filed for protection under Canada's Companies' Creditors Arrangement Act (the "Canadian Case").

4. On August 21, 2013, the United States Trustee appointed the Trustee to serve in the Debtor's Chapter 11 Case (the "Case") pursuant to 11 U.S.C. § 1163. [D.I. 64].

5. Subsequent to the appointment of the Trustee, the Trustee began negotiations with Camden National Bank (the "Lender") about providing post-petition financing needed to fund the Debtor's operating costs and working capital needs pending a sale of the Debtor's assets. As a result of these negotiations, the Debtor and the Lender, with the approval of this Court, entered into a revolving line of credit in the principal amount of up to \$3,000,000.00 (the "Existing Loan").

6. Recently, the Debtor, again with the approval of this Court, entered into an Asset Purchase Agreement to sell (the "Sale") substantially all of the Debtor's assets (and those of MMA Canada) to Railroad Acquisition Holdings LLC. As of the date of filing of this Motion to Expedite, almost the entire availability of the line of credit established by the Existing Loan has been exhausted, and the Debtor is in need of additional credit in order to fund operations pending the closing of the Sale.

7. Based on this need for additional funds, the Trustee approached Lender to determine Lender's willingness to increase the Existing Loan by \$1.8 million. Lender agreed to

increase the availability under the Existing Loan, and based on this agreement, the Trustee filed the Motion seeking approval of the increase in the line of credit (the "New Loan").

8. As set forth in the Motion, the New Loan will be secured by a first-priority mortgage on the Debtor's real and personal property located in the United States, to the extent such collateral has been pledged to the Federal Railroad Administration (the "FRA") (the "Loan Collateral"). The Trustee anticipates that FRA, which has a position on both the Debtor's U.S. real and personal property to the extent set forth in the FRA loan documents, will subordinate its interest in the Loan Collateral to Lender, thereby permitting Lender to have a priming lien on the Loan Collateral.¹

9. As of the date of this Motion to Expedite, the Debtor may not have sufficient cash available to fund operations past February 11, 2014. The Trustee seeks authority to enter into the New Loan on an expedited basis to ensure that the Debtor has sufficient funds to continue operating past this date. Continued operation of the Debtor will enable the closing of a sale of the Debtor's assets, which will maximize the value of the Debtor's estate and the distribution to creditors.

10. In summary, failure to obtain an additional source of cash, on an immediate basis, may severely and irreparably harm the Debtor and MMA Canada. Accordingly, the Trustee requests that the Motion be heard on an expedited basis.

Relief Requested

11. By this Motion to Expedite, the Trustee requests that the Court: (a) schedule a hearing on the Motion for **February 11, 2014 at 10:00 a.m. ET**; (b) set a shortened objection

¹ The Trustee is also in the process of obtaining the consent of the Maine Department of Transportation, which may have a security interest in all rail, related cross ties, and related track materials incorporated or installed in, attached to, or located on certain rail corridors owned by the Debtor and located in Maine.

deadline for **February 10, 2014**; and (c) approve service of the Motion to Expedite and the Motion in the manner set forth herein.

Basis for Relief

12. Absent a request for an expedited hearing, a movant seeking the type of relief set forth in the Motion must provide twenty-one days' notice of, and a response date must be set more than seven calendar days prior to, a final hearing date. See Fed. R. Bankr. P. 2002, 4001(c)(2); Local Rule 9013-1(d)(5).

13. However, the Trustee requires the relief requested in the Motion on an expedited basis to ensure that the Debtor has sufficient working capital and operating funds to consummate the sale of its assets and those of MMA Canada. For the reasons stated above, failure to obtain the relief requested in the Motion within an expedited timeframe may immediately and irreparably harm both the Debtor and MMA Canada, possibly leading to a curtailment of operations, to the detriment of all creditors.

14. Enabling the Debtor to continue to operate and consummate the closing of the Sale will maximize the value of the Debtor's estate for the benefit of creditors. The Trustee filed the Motion and this Motion to Expedite as soon as possible after obtaining a commitment from Lender, and submits that no parties will be prejudiced should the Motion be heard on an expedited basis.

15. The Court has indicated that it has availability on **February 11, 2014 at 10:00 a.m. ET**. The Trustee requests that a hearing on the Motion be scheduled for that date and time to allow expedited consideration of the relief sought by the Trustee.

Notice

16. Notice of this Motion, the relief requested herein and the hearing on the Motion shall be served by the Trustee on (i) the United States Trustee; (ii) the Debtor's counsel; (iii) counsel to MMA Canada; (iv) the Monitor in the Canadian insolvency proceedings of MMA Canada; (v) counsel to the Monitor; (vi) the non-insider holders of the twenty (20) largest unsecured claims against the Debtor or, if applicable, the lawyers representing such holders; (vii) applicable federal and state taxing authorities; (viii) the holders of secured claims against the Debtor or, if applicable, the lawyers representing such holders; (ix) counsel to the Official Committee of Derailment Claimants; (x) Camden National Bank; (xi) the United States of America on behalf of the Federal Railroad Administration; (xii) the Maine Department of Transportation; (xiii) Wheeling & Lake Erie Railway Company; (xiv) Bangor Savings Bank; and (xv) others who have entered an appearance and requested service of papers in the Chapter 11 Case (collectively, the "Notice Parties"). Under the circumstances, the notice given by the Trustee of the Motion, the relief requested herein and the hearing thereon constitutes due and sufficient notice thereof and complies with Bankruptcy Rules 4001, 9013 and 9014 and Local Rules 4001-1, 4001-2, 4001-3 (to the extent applicable), 4001-4, 9013-1, and 9014-1, and no further notice is necessary or required.

Conclusion

WHEREFORE, the Trustee respectfully requests that this Court enter an Order: (a) finding that service of the Motion to Expedite and the Motion in the manner described herein was sufficient to all parties in interest under the circumstances of this case; (b) granting the Motion to Expedite; (c) setting a hearing on the Motion for **February 11, 2014 at 10:00 a.m. ET**

and a shortened objection deadline for **February 10, 2014 at 10:00 a.m. ET**; and (d) granting such other and further relief as the Court deems just and equitable under the circumstances.

Dated: February 5, 2014

ROBERT J. KEACH
CHAPTER 11 TRUSTEE OF MONTREAL
MAINE & ATLANTIC RAILWAY, LTD.

By his attorneys:

/s/ Sam Anderson
Michael A. Fagone, Esq.
D. Sam Anderson, Esq.
BERNSTEIN, SHUR, SAWYER & NELSON
100 Middle Street
P.O. Box 9729
Portland, ME 04104-5029
Tel: (207) 774-1200
Fax: (207) 774-1127

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670

Chapter 11

**ORDER GRANTING MOTION FOR EXPEDITED HEARING, SHORTENED
OBJECTION PERIOD AND LIMITED NOTICE WITH RESPECT TO
CHAPTER 11 TRUSTEE'S MOTION FOR INTERIM AND FINAL
ORDERS: (A) AUTHORIZING DEBTOR TO OBTAIN
POST-PETITION FINANCING; AND (B) GRANTING
TO CAMDEN NATIONAL BANK POST-PETITION
PRIORITY LIENS**

This matter having come before the Court on the Motion for Expedited Hearing, Shortened Objection Period and Limited Notice with Respect to Chapter 11 Trustee's Motion for Interim and Final Orders: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Priority Liens (the "Motion to Expedite") filed by Robert J. Keach, the chapter 11 trustee in the above-captioned case, and upon consideration of all responses to the Motion to Expedite (if any), it is hereby **ORDERED**, **ADJUDGED** and **DECREED** as follows:

1. The Motion to Expedite is granted.
2. Notice and service of the Motion to Expedite and the Chapter 11 Trustee's Motion for Interim Order: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Priority Liens (the "Motion to Expedite") was sufficient in light of the nature of the relief requested.
3. An expedited hearing on the Motion is set for **February 11, 2014 at 10:00 a.m.**

ET and the deadline to object to the same is **February 10, 2014 at 10:00 a.m. ET.**

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge