

UNITED STATES DISTRICT COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Case. No. 1:13-mc-00184-NT
1:14-cv-00113-NT

Chapter 11

**MOTION OF OFFICIAL COMMITTEE OF
VICTIMS FOR ORDER, PURSUANT TO COURT'S MARCH 23, 2015
STAY ORDER, TO REIMPOSE STAY AND SCHEDULING HEARING**

The Official Committee of Victims (the "Victims' Committee") appointed in the chapter 11 case of Montreal Maine & Atlantic Railway, Ltd. (the "Debtor" or "MMA"), by and through its undersigned counsel, hereby files this motion (the "Motion"), (i) for entry of an order (a) granting the Victims' Committee permission to seek the relief sought in subparagraph (b) below, pursuant to paragraph 6 of the Stay Order (as hereinafter defined) and paragraph 3 of the Amended Committee Order (as hereinafter defined), and (b) reimposing the stay imposed by the *Order Amending and Restating Consent Order Staying Proceedings Pending Appeal in 1:13-mc-00184-NT*, entered on March 23, 2015 [District Docket No. 277] (the "Stay Order")¹ pursuant to paragraph 6 of the Stay Order, in response to the *Notice of Plaintiffs Annick Roy (o/b/o Jean-Guy Veilleux), Marie-Josée Grimard (o/b/o Henriette Latulippe) Terminating Stay*, filed May 7, 2015 [District Court Docket No. 280] (the "Stay Termination Notice"), and (ii) scheduling a hearing to consider the same on June 5, 2015 or such other date as the Court deems appropriate prior to expiration of the stay on June 8, 2015. In support of the Motion, the Victims' Committee respectfully represents as follows:

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Stay Order.

PRELIMINARY STATEMENT

1. The Victims' Committee is fully supportive of any action taken to protect the interest of Victims (as hereinafter defined) of the Derailment (as hereinafter defined). Thus, at first glance, one might expect – based on the grounds stated in the Stay Termination Notice (that a statute of limitations was about to expire) – that the Victims' Committee would applaud the Stay Termination Notice. Unfortunately, there may be more to the story. The Victims' Committee has obtained a form of a retainer agreement (the "Retainer") that, upon information and belief, certain of the Victims entered into with some of the plaintiffs' counsel ("Plaintiffs' Counsel") in the days immediately following the intensely traumatic events of the Derailment.² The Retainers, which were drafted by Plaintiffs' Counsel, contain a provision entitling Plaintiffs' Counsel to a contingency fee of 40% of any settlement obtained **after the filing of a formal complaint**.³ Thus, to the extent such Retainers are valid and enforceable; the receipt of the 40% contingency fee from any given Victim is contingent on Plaintiffs' Counsel having filed a formal complaint on behalf of such Victim **before** the Settlement Agreements (as hereinafter defined) have been entered into. Formal complaints were previously filed on behalf of only 19 of the 47 Victims.

2. The Retainer language regarding the 40% contingency fee, combined with the timing of the filing of the Stay Termination Notice by Plaintiff's Counsel, gave the Victims' Committee concern that the purpose of the Stay Termination Notice was not just to ensure that the rights of Victims who are not plaintiffs in the Transferred Cases to file complaints are not

² A copy of the Retainer (which is in French) is attached hereto as Exhibit A.

³ The first sentence of the second paragraph of the Retainer literally provides that "In the event that the Client's case is resolved in the Client's favor through a settlement after the filing of a formal complaint, the client undertakes to pay to the law firms forty percent (40%) of all sums recovered as fees for the law firms." It is the Victims' Committee's understanding that a small number (less than 8) of retainer letters where the plaintiff's lead counsel is Weller, Green, Toups & Terrell LLP do not contain language conditioning the contingency fee upon the filing of a complaint.

foreclosed by the expiration of the statute of limitations, which of course the Victims' Committee would fully endorse, but also to bolster Plaintiffs' Counsel's ability to collect the 40% contingency fee from Victims for whom complaints have not previously been filed. As explained below, the Victims' Committee has no issue with the stated purpose of the Stay Termination Notice. Rather, the Victims' Committee's concerns relate entirely to the timing of and the consequences of the timing of the Stay Termination Notice.

3. Therefore, after the Stay Termination Notice was filed by Plaintiff's Counsel, counsel for the Victims' Committee contacted Plaintiffs' Counsel to express concern that the indirect effect of the filing of the Stay Termination Notice is to terminate the stay just a few days before the CCAA Court (as hereinafter defined) is scheduled to consider approval of the Settlement Agreements on **June 17, 2015**. Therefore, the Victims' Committee asked for consent to continue the effectiveness of the Stay Order until **June 30, 2015**, which would still provide *seven (7) days* for Plaintiffs' Counsel to file complaints before the statute of limitations expires on **July 6, 2015**, but Plaintiffs' Counsel rejected such request out of hand.

4. This refusal only heightened the Victims' Committee's concern that under the cover of purportedly protecting the Victims' rights, Plaintiffs' Counsel could really be attempting to use the Court as an (unknowing) instrument to cause the 40% contingency fee contained in the Retainer to arise before the CCAA Court approves the Settlement Agreements.

5. The statute of limitations to file complaints related to the Derailment will run on **July 6, 2015**, two years from the date of the Derailment. It is only necessary to file a complaint against the Settling Defendants to protect Victims not already party to the Transferred Cases if the Settlement Agreements have not taken effect by July 6, 2015 because the Settlement Agreements provide for the full release of claims against the Settling Defendants in exchange for

their contribution to a settlement fund that will be used to pay the claims of Victims. As explained below, the Settlement Agreements are likely to be approved by the CCAA Court on or around **June 17, 2015**. Under the Stay Termination Notice the stay would terminate on **June 8, 2015**⁴ – a week before the earliest date the Settlement Agreements may be approved and nearly a month before the statute of limitations will run.

6. To be clear, the Victims’ Committee is in no way seeking to protect the Settling Defendants. Rather, the Victims’ Committee is simply seeking to ensure that the Victims of an unthinkable tragedy – the Derailment – receive the maximum **net** compensation available to them under applicable law for their claims. Thus, the Victims’ Committee seeks an order of the Court continuing or reimposing the stay imposed by the Stay Order until June 30, 2015 at the earliest. June 30, 2015 allows thirteen days for the CCAA Court to approve the Settlement Agreements and a full **seven days** for Plaintiff’s Counsel to file complaints on behalf of Victims who have not yet filed complaints before the statute of limitations expires, to the extent it is still necessary to file such complaints. Seven days is more than sufficient time to file a complaint, particularly given that the complaints can be drafted and prepared for filing long before the stay expires.

BACKGROUND

7. On July 6, 2013, an unmanned MMA train with 72 carloads of crude oil and 5 locomotive units derailed in Lac-Mégantic, Quebec (the “Derailment”). The Derailment set off several massive explosions destroying part of downtown Lac-Mégantic and killing 47 people (the “Victims”).

⁴ The Stay Termination Notice was filed on May 7, 2015. Thirty (30) days after May 7, 2015 is June 6, 2015, which is a Saturday. Thus, under Rule 9006 of the Federal Rules of Bankruptcy Procedure and the Federal Rules of Civil Procedure, the Stay Termination Notice is effective on the next day that is not a Saturday, Sunday, or legal holiday, Monday, June 8, 2015.

8. On August 7, 2013, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “Petition Date”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). *See In re Montreal Maine & Atlantic Railway Ltd.*, Case No. 13-10670 (Bankr. D. Me.).⁵ On the Petition Date, the Debtor’s Canadian affiliate, Montreal Maine & Atlantic Canada Co. (“MMA Canada”), also commenced proceedings (the “CCAA Case”) in the Superior Court of Canada (“CCAA Court”) pursuant to the *Companies’ Creditors Arrangement Act* (“CCAA”) and appointed a monitor (the “Monitor”) to administer the CCAA Case.

9. On August 21, 2013, the U.S. Trustee, pursuant to Bankruptcy Code section 1163, appointed Robert J. Keach as the trustee (the “Trustee”) in the chapter 11 case (the “Chapter 11 Case”).

10. On October 18, 2013, the Bankruptcy Court entered the *Order Authorizing the Appointment of a Victims’ Committee* [Bankruptcy Court Docket No. 391] (the “Committee Order”), pursuant to which the Bankruptcy Court authorized, pursuant to section 1102(a)(2) of the Bankruptcy Code, the U.S. Trustee to appoint a victims’ committee in the Chapter 11 Case to “assure adequate representation of victims of the Lac-Mégantic derailment.” *See* Committee Order, at 4. Thus, the Victims’ Committee represents *all* victims of the derailment.

11. On September 9, 2013, the Trustee filed the *Chapter 11 Trustee’s Motion To Transfer Personal Injury Tort And Wrongful Death Claims Pursuant To 28 U.S.C. § 157(b)(5)* [District Court Docket No. 1] (the “Transfer Motion”) in the United States District Court for the

⁵ All references to documents filed in the Bankruptcy Court are denoted by the citation “Bankruptcy Court Docket No. ___”.

District of Maine.⁶ On March 21, 2014, after extensive oral argument at a prior hearing during which the Victims' Committee was heard, Judge Torresen entered the *Order on Motions to Transfer Cases and Motion to Strike* [District Court Docket No. 100] (the "Transfer Order") holding that the nineteen wrongful death suits filed in Illinois (the "Wrongful Death Actions") were "related to" the Debtor's bankruptcy case. See Transfer Order, at 26.

12. On September 9, 2014, the Bankruptcy Court entered the *Order Granting Motion of Official Committee of Victims Seeking Modification of Committee Appointment Order to Authorize Committee to Fully Participate in Wrongful Death Proceedings Pending Before Maine District Court* [Bankruptcy Doc. No. 1112] (the "Amended Committee Order").⁷ The Amended Committee Order authorized the Victims' Committee "to request permission from the Maine District Court to: . . . (ii) be heard on any issues related to [the Stay Order]⁸ or a stay of the Wrongful Death Proceedings." See Amended Committee Order ¶3. In light of the 30 day window that exists under the Stay Termination Notice, the Victims' Committee does not have time to first seek permission from the Court and then file the instant Motion and have it heard before June 8, 2015. Thus, by this Motion, the Victims' Committee requests permission of the Court to be heard on the subject matter of this Motion. As noted below, the Stay Order entered by the Court already grants the Victims' Committee authority to bring this Motion and demonstrates that the Victims' Committee's right to be heard on this matter was clearly contemplated by the parties to the Stay Order, including Plaintiffs' Counsel, who consented to entry of the Stay Order.

⁶ See *In re Montreal Maine & Atlantic Railway Ltd.* Case No. 1:13-mc-00184-NT (the "157(b)(5) Proceeding"). All references to documents filed in the 157(b)(5) Proceeding are denoted by the citation "District Court Docket No. ___".

⁷ A copy of the Amended Committee Order is attached hereto as Exhibit B.

⁸ The Amended Committee Order refers to the "Consent Order," which was amended and restated by the Stay Order.

13. On March 23, 2015, the Court entered the Stay Order providing for the stay of all Wrongful Death Actions against the Settling Defendants. The Stay Order, however, provided a mechanism for the Victims' Committee to seek to reimpose the stay if a party to any of the Transferred Cases filed a notice to terminate the stay:

The stay imposed by this Order will terminate on the earlier of . . . (iii) 30 days after notice is filed on this Court's docket by any of the parties to any of the Transferred Cases or the Official Committee of Victims, provided, however, that termination of the stay pursuant to (iii) of this Paragraph shall be **without prejudice to the rights of any party or the Official Committee of Victims to seek to reimpose the stay and the Court to grant such request.**

Stay Order ¶ 6 (emphasis added).

14. On May 7, 2015, Plaintiff's Counsel filed the Stay Termination Notice. The Stay Termination Notice states that the "Plaintiffs are terminating the stay subject to the [reinstatement of the stay after filing of service of process] to ensure all plaintiff's claims against all defendants are filed timely." *See* Stay Termination Notice ¶¶ 2-3. Plaintiffs' Counsel asserts that such relief is "intended to structure and enhance, rather than undermine, the efficacy of the proposed settlements with the Settling Defendants." *Id.* at ¶ 2. Thus, the Stay Termination Notice is apparently **not** intended as an attempt to undermine the existing Settlement Agreements.

15. On March 31, 2015, MMA Canada filed its Plan of Compromise and Agreement (the "CCAA Plan"). The CCAA Plan is structured around the distribution of approximately \$272 million Canadian Dollars in proceeds (the "Settlement Proceeds") contributed by the Settling Defendants pursuant to certain settlement agreements (the "Settlement Agreements"). Under the CCAA Plan, 21.4% of the Settlement Proceeds are earmarked to be paid to the Victims. In exchange for their contributions of the Settlement Proceeds to the CCAA Plan, the

Settling Defendants will receive a full, final, and irrevocable discharge and release of all claims stemming from the Derailment.

16. A hearing (the “CCAA Sanction Hearing”) is scheduled for June 17, 2015 before the CCAA Court to consider sanctioning, conforming and/or confirming the CCAA Plan and, among other things, approving and implementing the Settlement Agreements and related releases and injunctions.

17. Following the CCAA Sanction Hearing, a hearing to consider confirmation of the Trustee’s chapter 11 plan will also be scheduled and heard before the Bankruptcy Court.

Relief Requested

18. The Victims’ Committee hereby moves this Court (i) for entry of an order (a) granting the Victims’ Committee permission to request the relief sought in subparagraph (b) below, pursuant to paragraph 6 of the Stay Order and paragraph 3 of the Amended Committee Order, and (b) continuing the stay or reimposing the stay imposed by the Stay Order immediately upon termination of the stay under the Stay Termination Notice until June 30, 2015, pursuant to paragraph 6 of the Stay Order, and (ii) for the scheduling of a hearing date of June 5, 2015 or such other date as is convenient to the Court prior to June 8, 2015.

19. A proposed order is attached hereto as Exhibit C.

Basis for Relief

Permission To Be Heard

20. As noted above, the Amended Committee Order permits the Victims’ Committee to request permission from the Court to be heard on, among other issues, issues related to the stay of the Wrongful Death Proceedings. The Stay Order, which was negotiated and entered into on the consent of all parties, including Plaintiffs’ Counsel, *after* entry of the Amended Committee Order *expressly* provides that the Victims’ Committee may seek to reimpose the stay.

See Stay Order ¶ 6. Thus, the Stay Order provides ample authority for the Victims' Committee to seek the relief sought by this Motion.

Stay Should Be Reimposed

21. The Victims' Committee **does not object** to the termination of the stay on or after June 30, 2015 to ensure that all Victims "claims against all defendant are filed timely." Indeed, the Victims' Committee endorses such relief. The Victims' Committee **does object** to the termination of the stay prior to June 30, 2015, at which time the CCAA Court should have approved the Settlement Agreements.

22. The relief requested herein does not appear to prejudice the Victims in anyway. The statute of limitations will not expire until July 6, 2015. Seven days is more than enough time to cause a complaint to be filed. No reasons – that are in the interest of the Victims – have been articulated which would require the stay to terminate prior to June 30, 2015. Additionally, terminating the stay on June 30, 2015 is entirely consistent with the stated purpose of the Stay Termination Notice:

[C]ertain statutes of limitation may expire on or about July 6, 2015, which is the two year anniversary of the Derailment. Victims of the Derailment who are not plaintiffs in the Transferred Cases, and who have retained counsel for the plaintiffs in the transferred cases, are at risk of losing valid claims if new cases are not asserted against all defendants (including the Settling Defendants) prior to the potential expiration of applicable statutes of limitation. Plaintiffs are terminating the stay subject to the Proposed Stay, to ensure all plaintiffs' claims against all defendants are filed timely.

See Stay Termination Notice ¶ 3. The Victims' Committee is fully supportive of the above stated purpose of the Stay Termination Notice, but such purpose is just as easily accomplished on June 30, 2015 as on June 8, 2015. Thus, Plaintiffs' Counsel's refusal to agree to the continued imposition of the stay until June 30, 2015 could lead one to conclude that the Stay Termination Notice is intended to accomplish more than its stated purpose.

23. Plaintiff's Counsel will no doubt argue that bolstering their claim to the 40% contingency fee is not their "intent," but in a case like this "intent" can only be gleaned from the **facts** of the case and the **effects** of the requested relief. Here, unless Plaintiff's Counsel can articulate a compelling reason why the continuation of the stay until June 30, 2015 causes any harm to the **Victims** – in contrast to counsel for the Victims – the Court should be free to glean whatever inferences are appropriate from the Plaintiffs' Counsel's refusal to extend the stay until June 30, 2015.

24. In light of these facts, Plaintiffs' Counsel unwillingness to consensually agree to an extension which does not appear to prejudice the Victims in any way, coupled with the **requirement in the Retainer (of Plaintiffs' Counsel's own drafting) that a complaint be filed prior to any settlement obtained** for the 40% contingency fee to take effect leads the Victims' Committee to seek the relief requested herein. Indeed, the Victims' Committee believes that, at a minimum, the Court should make a decision on the termination or continuation of the stay based on all the facts.

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WHEREFORE, the Victims' Committee respectfully requests that the Court grant the relief requested in the Motion and (i) grant the Victims' Committee permission to be heard on the relief requested, (ii) extend the stay imposed by the Stay Order until June 30, 2015, and (iii) grant such other and further relief as is just and proper.

Dated: May 18, 2015

/s/ Kyle J. Ortiz

Luc A. Despins

Kyle J. Ortiz

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-and-

/s/ Richard P. Olson

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*Co-counsel to the Official Committee of
Victims*

CERTIFICATE OF SERVICE

I hereby certify that on May 18, 2015, I electronically filed Motion of Official Committee of Victims for Order, Pursuant to Court's March 23, 2015 Stay Order, to Reimpose Stay and Scheduling Hearing, with the Clerk of Court using the CM/ECF system which will send notification of such filing to the parties of record who have registered as CM/ECF participants.

/s/ Kyle J. Ortiz _____

Kyle J. Ortiz
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Facsimile: (212) 319-4090

EXHIBIT A

RETAINER AGREEMENT

CONTRAT BLESSURES PERSONNELLES ET SERVICES PROFESSIONNELS

ACCORD AVOCAT-CLIENT

Le « Client » soussigné retient par la présente les cabinets d'avocats **Meyers & Flowers, LLC** dont les bureaux sont situés au 225 West Wacker Drive, Suite 1515, Chicago, Illinois 60606, le cabinet d'avocats **The Garcia Law Group** dont les bureaux sont situés au 1305 E. Griffen Parkway, Mission, Texas 78572, et le cabinet d'avocats **Webster Law Firm** dont les bureaux sont situés au 6200 Savoy, Suite 515, Houston, Texas 77036 (les « Cabinets ») pour fins d'enquêtes et de poursuites concernant toutes les plaintes pour blessures corporelles et/ou décès et/ou dommages à la propriété découlant d'un déraillement qui s'est produit le 6^e jour de juillet 2013 autour ou à proximité de Lac-Mégantic au Québec, Canada.

Dans le cas où le dossier du Client est résolu en faveur du Client par voie de règlement après le dépôt d'une plainte formelle, le client s'engage à payer aux cabinets d'avocats quarante pour cent (40,0 %) de toute somme recouvrée au titre d'honoraires de cabinet d'avocats. Le Client comprend et accepte que les honoraires d'avocats seront divisés entre les Cabinets et que les Cabinets assumeront la responsabilité financière de la représentation du client.

Dans l'éventualité où rien n'est recouvré pour le Client par le biais de procès ou de règlement, aucun frais d'avocat ne sera versé aux Cabinets.

Les Cabinets avanceront tous les frais et coûts raisonnables qu'ils jugent nécessaires pour enquêter et poursuivre la plainte du client, notamment frais de dossier, frais de copie (0,05 \$ par page), affranchissement/expédition, frais de recherche assistée par ordinateur à partir de Westlaw et/ou Lexis-Nexis, frais de témoins experts, services de mise aux dossiers judiciaires, frais de déplacement raisonnables, frais de témoin versés aux médecins du Client et témoins au procès, coûts pour création de dépôt de pièces à conviction et déposition et frais pour obtenir les dossiers et les factures médicales du Client. Dans l'éventualité où rien n'est récupéré pour le Client par le biais de procès ou d'un règlement, le Client n'est pas tenu de rembourser aux Cabinets aucune des dépenses ni aucun des coûts encourus quels qu'ils soient.

Les honoraires d'avocats décrits ci-dessus seront calculés sur le montant total du règlement ou du jugement recueilli, intérêts et frais compris.

À la suite de la décision finale sur le cas, le client recevra un relevé de la répartition détaillant toutes les informations nécessaires pour comprendre l'application du présent Accord. La part reçue par le client à partir de la décision finale sera le montant total du règlement moins les honoraires d'avocats.

Le client autorise expressément les Cabinets à publier des informations relatives à l'affaire.

Le client accepte les termes de cet accord et accuse réception d'une copie complète du présent Accord.

FAIT ce _____ jour du mois de _____ 20____.

Signature du client

ACCEPTÉ:

MEYERS & FLOWERS, LLC

THE WEBSTER LAW FIRM

GARCIA LAW GROUP

Par: _____

Par: _____

Par: _____

EXHIBIT B

AMENDED COMMITTEE ORDER

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Chapter 11

Case No. 13-10670 (LHK)

**ORDER GRANTING MOTION OF OFFICIAL COMMITTEE OF VICTIMS SEEKING
MODIFICATION OF COMMITTEE APPOINTMENT ORDER TO AUTHORIZE
COMMITTEE TO FULLY PARTICIPATE IN WRONGFUL DEATH PROCEEDINGS
PENDING BEFORE MAINE DISTRICT COURT**

Upon consideration of the motion (the “Motion”)¹ of the Official Committee of Victims (the “Committee”) appointed in the chapter 11 case of Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”), for entry of an order modifying the *Order Authorizing the Appointment of a Victims’ Committee* [Docket No. 391] (the “Appointment Order”) to authorize the Committee to take any and all actions in the Wrongful Death Proceedings currently pending before the United States District Court for the District of Maine (the “Maine District Court”); and upon consideration of the *Wrongful Death Claimants’ Opposition To Motion Of Official Committee Of Victims Seeking Modification Of Committee Appointment Order To Authorize Committee To Fully Participate In Wrongful Death Proceedings Pending Before Maine District Court* [Docket No. 1100] (the “Representatives’ Objection”), the *Trustee’s Limited Response To The Motion Of Official Committee Of Victims Seeking Modification Of Committee Appointment Order To Authorize Committee To Fully Participate In Wrongful Death Proceedings Pending Before Maine District Court* [Docket No. 1101] (the “Trustee Objection”) and the reply of the

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

Committee in support of the Motion [Docket No. 1102] (the “Reply”); and a hearing on the Motion, the Representatives’ Objection, the Trustee Objection and the Reply having been held before the Court on September 12, 2014 (the “Hearing”); and it appearing that the Trustee withdrew the Trustee Objection at the Hearing in consideration of reaching an agreement with the Committee as to the terms of this Order; and it appearing that the Court has jurisdiction to consider the Motion and the relief requested therein; and due notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor; it is hereby **ORDERED** that:

1. The Motion is GRANTED to the extent provided herein.
2. The Representatives’ Objection is OVERRULED for the reasons set forth on the record at the Hearing and because, as set forth in the *Order on Motions to Transfer Cases and Motion to Strike* [Torresen Docket No. 100] (the “Transfer Order”), the Maine District Court found that the Wrongful Death Proceedings are “related to” the Debtor’s bankruptcy case. *See* Transfer Order, at 26. The Transfer Order is currently the subject of an appeal before the United States Court of Appeals for the First Circuit.
3. The Appointment Order is hereby modified, *nunc pro tunc* to January 1, 2014, to authorize the Committee to request permission from the Maine District Court to: (i) seek a transfer of the Wrongful Death Proceedings; (ii) be heard on any issues related to the Consent Order or a stay of the Wrongful Death Proceedings; and (iii) be heard on any issues related to a global settlement of the claims asserted in the Wrongful Death Proceedings (collectively, the “Permitted Actions”), subject to the Maine District Court’s orders with respect to the propriety or merits of the Permitted Actions; provided, however, that the Committee shall not participate in any individual Wrongful Death Proceeding except with respect to the Permitted Actions.

4. Notwithstanding any other provision of this Order, nothing in this Order shall be construed as a finding that: (a) the Committee has any right to participate in the Wrongful Death Proceedings; (b) the Committee has standing to participate in the Wrongful Death Proceedings; or (c) the Maine District Court is compelled to permit the Committee to participate in the Wrongful Death Proceedings.

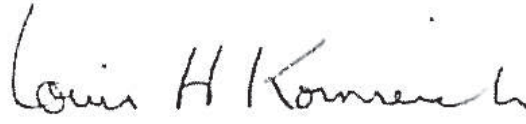
5. The Trustee (but not the Representatives who reserve all rights) hereby waives his right to assert the argument that the Committee lacks standing before the Maine District Court with respect to the Permitted Actions; provided, however, that (a) the Trustee may oppose the Permitted Actions on the merits, and nothing herein shall waive, diminish or otherwise affect the Trustee's right or capacity to challenge the Committee's standing to appear or participate with respect to any case, adversary proceeding or matter other than the Permitted Actions, and (b) any party to the Wrongful Death Cases may challenge the Committee's ability to intervene or otherwise participate in those cases before the Committee is permitted to seek to take any Permitted Action.

6. Nothing in this Order shall be construed as Court approval of any fees or expenses incurred by the Committee in connection with the Permitted Actions, and all such fees and expenses of the Committee are expressly subject to Court approval upon the Committee's filing of an application(s) for compensation and reimbursement of expenses.

7. The entry of this Order shall be without prejudice to the rights of the Committee, the Trustee or any party in interest to seek further modification of this Order or the Appointment Order upon five (5) days' written notice.

8. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: September 19, 2014



HONORABLE LOUIS H. KORNREICH
CHIEF UNITED STATES BANKRUPTCY JUDGE

EXHIBIT C

PROPOSED ORDER

UNITED STATES DISTRICT COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Case. No. 1:13-mc-00184-NT
1:14-cv-00113-NT

Chapter 11

**ORDER GRANTING MOTION OF OFFICIAL COMMITTEE OF
VICTIMS FOR ORDER, PURSUANT TO COURT'S MARCH 23, 2015
STAY ORDER, TO REIMPOSE STAY AND SCHEDULING HEARING**

Upon Consideration of the Motion (the "Motion")¹ of the Official Committee of Victims (the "Victims' Committee") appointed in the chapter 11 case of Montreal Maine & Atlantic Railway, Ltd. (the "Debtor" or "MMA"), (i) for entry of an order (a) granting the Victims' Committee permission to seek the relief sought in subparagraph (b) below, pursuant to paragraph 6 of the Stay Order (as hereinafter defined) and paragraph 3 of the Amended Committee Order, and (b) reimposing the stay imposed by the *Order Amending and Restating Consent Order Staying Proceedings Pending Appeal in 1:13-mc-00184-NT*, entered on March 23, 2015 [District Docket No. 277] (the "Stay Order") pursuant to paragraph 6 of the Stay Order, in response to the *Notice of Plaintiffs Annick Roy (o/b/o Jean-Guy Veilleux), Marie-Josée Grimard (o/b/o Henriette Latulippe) Terminating Stay*, filed May 7, 2015 [District Court Docket No. 280], and (ii) scheduling a hearing to consider the same on June 5, 2015 or such other date as the Court deems appropriate prior to expiration of the stay on June 8, 2015; and it appearing that the Court has jurisdiction to consider the Motion and the relief requested therein; and due notice of the Motion having been provided; and it appearing that no other or further notice need be provided;

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Motion.

and a hearing (the "Hearing") having been held; and after due deliberation and sufficient cause appearing therefor and for all the reasons stated at the Hearing; it is hereby **ORDERED** that:

1. The Victims' Committee's request to be heard on the matters addressed in the Motion is hereby granted.

2. The Motion is GRANTED.

3. The Stay Order is hereby modified to extend the stay of all Wrongful Death Actions until **June 30, 2015**.

4. The entry of this Order shall be without prejudice to the rights of the Victims' Committee or any party in interest to seek further modification of the Stay Order.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: _____, 2015

HONORABLE NANCY TORRESEN
UNITED STATES CHIEF DISTRICT JUDGE

UNITED STATES DISTRICT COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Case. No. 1:13-mc-00184-NT
1:14-cv-00113-NT

Chapter 11

**NOTICE OF HEARING REGARDING MOTION OF OFFICIAL COMMITTEE
OF VICTIMS FOR ORDER, PURSUANT TO COURT'S MARCH 23, 2015
STAY ORDER, TO REIMPOSE STAY AND SCHEDULING HEARING**

The Official Committee of Victims (the "Victims' Committee") appointed in the chapter 11 case of Montreal Maine & Atlantic Railway, Ltd. (the "Debtor"), by and through its counsel, has filed the *Motion of Official Committee of Victims for Order, Pursuant to Court's March 23, 2015 Stay Order, To Reimpose Stay and Scheduling Hearing* (the "Motion").

PLEASE TAKE NOTICE that through the Motion the Victims' Committee **requests** a hearing be held **Friday, June 5, 2015, or such other date as the Court deems appropriate** (the "Hearing") before the United States District Court, District of Maine (the "Court"), Edward T. Gignoux U.S. Courthouse 156 Federal Street Portland, ME 04101. Please note that this is only a request, the Court has not yet set this date. The Victims' Committee will serve an additional notice when the date of the Hearing is finalized by the Court. You may attend the Hearing, should one be scheduled, with respect to the Motion.

PLEASE TAKE FURTHER NOTICE that responses or objections to the Motion must be filed with the Court on or before **June 1, 2015 at 5:00 p.m. (ET) or such other date as the Court may set** (the "Objection Deadline"). If you are unable to access the Court's CM/ECF Filing System, your response or objection to the Motion must be served on: (i) United States District Court, District of Maine, Edward T. Gignoux U.S. Courthouse 156 Federal Street Portland, ME 04101; and (ii) Co-counsel for the Victims' Committee, (a) Perkins Olson, 32 Pleasant Street, PO Box 449, Portland, Maine 04112, Attn: Richard P. Olson, Esq., and (b) Paul Hastings LLP, Park Avenue Tower, 75 East 55th Street, First Floor, New York, New York 10022, Attn: Luc A. Despins, Esq. and Kyle J. Ortiz, Esq. If you mail your response to the Court for filing, you must mail it early enough so that the Court will receive it on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE that if no responses or objections to the Motion are filed or received, the Court may enter an order granting the relief requested therein.

Dated: May 18, 2015

OFFICIAL COMMITTEE OF VICTIMS

/s/ Kyle J. Ortiz

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