

**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 MOTION TO APPROVE, AND
AUTHORIZE THE TRUSTEE TO ENTER INTO, STIPULATION
CONCERNING CARVE-OUT FROM COLLATERAL OF THE
FEDERAL RAILROAD ADMINISTRATION PURSUANT
TO 11 U.S.C. §§ 105(a), 363(b), 506(c), 1163 AND 1165**

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 *Motion to Approve, and Authorize the Trustee to Enter Into, Stipulation Concerning Carve-Out from Collateral of the Federal Railroad Administration Pursuant to 11 U.S.C. §§ 105(a), 363(b), 506(c), 1163 and 1165* (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 Rule 9013 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 9013-1(d)(i) of this Court’s local rules (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.

3. On August 21, 2013, the United States Trustee (the "UST") appointed the Trustee to serve in the Debtor's Chapter 11 Case (the "Case") pursuant to 11 U.S.C. § 1163.

4. In that capacity, the Trustee negotiated the *Stipulation Concerning Carve-Out from Collateral of the Federal Railroad Administration* (the "Stipulation") with the United States of America, represented by the Secretary of the Department of Transportation acting through the Administrator of the Federal Railroad Administration (the "FRA"). The Stipulation provides, among other things, that the FRA will provide a carve-out (the "Carve-Out") to the Trustee in the amount of \$5 million from the proceeds of a sale of FRA's collateral securing certain obligations of the Debtor owed to FRA. The Carve-Out is to be used, subject to the limitations and in the manner set forth in the Stipulation, solely for the payment of all allowed fees and expenses of the Trustee and the professionals retained by the Trustee (the "Trustee's Professionals"), as well as the quarterly fees owed to the UST. The Stipulation provides a means of administering this railroad chapter 11 case without diminishing the return to section 1171(a) claimants, including the victims of the Lac-Mégantic derailment, since the Carve-Out will be funded, to the extent required, from the proceeds of the FRA's otherwise unassailable first-priority lien, resulting in a reduction of the lien and the underlying claim.

5. The Trustee is currently exploring a potential sale of the Debtor's assets, including FRA's collateral. The Trustee requires approval of the Stipulation, and authority to enter into the Stipulation, on an expedited basis, to ensure that the Stipulation is approved well

before any sale of FRA's collateral. Additionally, the Trustee and his various professionals have invested and are continuing to invest hundreds of hours of time, as well as expenses, in this Case with no assurances of payment, a circumstance that cannot continue for the reasons set forth in the Motion. The Trustee and the Trustee's Professionals seek approval of the Stipulation on an expedited basis to ensure, as soon as possible, that there is an adequate means of funding the administration of this Case.

RELIEF REQUESTED

6. By this Motion to Expedite, the Trustee requests that the Court: (a) schedule a hearing on the Motion for October 1, 2013 at 9:00 a.m.; (b) set a shortened objection deadline for September 27, 2013; and (c) approve service of the Motion to Expedite and the Motion in the manner set forth herein.

BASIS FOR RELIEF

7. 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 hearing date. *See* Bankruptcy Rule 2002; Local Rule 9013-1(d)(5).

8. However, the Trustee requires the relief requested in the Motion on an expedited basis to ensure that there the Stipulation is approved, and that the Trustee has authority to enter into the Stipulation, well before any sale of FRA's collateral. Additionally, both the Trustee and the Trustee's Professionals, who have and will continue to invest hundreds of hours, as well as out-of-pocket expenses, in this Case, require expedited relief with respect to the Motion to ensure, as soon as possible, that administration of this Case will be funded.

9. The Court has already scheduled hearings for October 1, 2013 at 9:00 a.m. with respect to several matters in the Case.

10. The Trustee requests that a hearing on the Motion be scheduled for the same date and time to allow expedited consideration of the relief sought by the Trustee while minimizing cost and inconvenience to interested parties who might already be in attendance on that date.

NOTICE

11. Notice of this Motion to Expedite and Motion was served on the following parties on the date and in the manner set forth in the certificate of service: (1) the UST; (2) the Debtor's counsel; (3) the non-insider holders of the twenty (20) largest unsecured claims against the Debtor or, if applicable, the lawyers representing such holders; (4) applicable federal and state taxing authorities; (5) the holders of secured claims against the Debtor, or if applicable, the lawyers representing such holders; and (6) others who have, as of the date of the Motion to Expedite and the Motion, entered an appearance and requested service of papers in the Case.

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 October 1, 2013 at 9:00 a.m. and a shortened objection deadline for September 27, 2013; and (d) granting such other and further relief as the Court deems just and equitable under the circumstances.

Dated: September 16, 2013

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

By his attorneys:

/s/ Michael A. Fagone
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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
MOTION TO APPROVE, AND AUTHORIZE THE TRUSTEE TO
ENTER INTO, STIPULATION CONCERNING CARVE-OUT
FROM COLLATERAL OF THE FEDERAL RAILROAD
ADMINISTRATION PURSUANT TO 11 U.S.C.
§§ 105(a), 363(b), 506(c), 1163 AND 1165**

This matter having come before the Court on the *Motion for Expedited Hearing, Shortened Objection Period and Limited Notice with Respect to Motion to Approve, and Authorize the Trustee to Enter Into, Stipulation Concerning Carve-Out from Collateral of the Federal Railroad Administration Pursuant to 11 U.S.C. §§ 105(a), 363(b), 506(c), 1163 and 1165* (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 *Motion to Approve, and Authorize the Trustee to Enter Into, Stipulation Concerning Carve-Out from Collateral of the Federal Railroad Administration Pursuant to 11 U.S.C. §§ 105(a), 363(b), 506(c), 1163 and 1165* (the "Motion") was sufficient in light of the nature of the relief requested.
3. An expedited hearing on the Motion is set for October 1, 2013 at 9:00 a.m. and

the deadline to object to the same is September 27, 2013.

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670
Chapter 11

NOTICE OF EXPEDITED HEARING

Robert J. Keach, the chapter 11 trustee in the above-captioned case (the “Trustee”), has filed a *Motion for Expedited Hearing, Shortened Objection Period and Limited Notice with Respect to Motion to Approve, and Authorize the Trustee to Enter Into, Stipulation Concerning Carve-Out from Collateral of the Federal Railroad Administration Pursuant to 11 U.S.C. §§ 105(a), 363(b), 506(c), 1163 and 1165* (the “Motion to Expedite”) and a *Motion to Approve, and Authorize the Trustee to Enter Into, Stipulation Concerning Carve-Out from Collateral of the Federal Railroad Administration Pursuant to 11 U.S.C. §§ 105(a), 363(b), 506(c), 1163 and 1165* (the “Motion”).

If you do not want the Court to approve the Motion to Expedite or the Motion, then on or before **September 27, 2013**, 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 September 27, 2013**.

You may attend the hearing with respect to the Motion to Expedite scheduled to be held at the Bankruptcy Court, 202 Harlow Street, Bangor, Maine on **October 1, 2013 at 9:00 a.m.** If the Motion to Expedite is granted at that time, the Court may immediately thereafter conduct hearings to consider, and may grant some or all of the relief sought by the Motion.

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 in the Motion to Expedite or the Motion and may enter an order granting

the requested relief without further notice or hearing.

Dated: September 16, 2013

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

By his attorneys:

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