

CANADA

SUPERIOR COURT  
(COMMERCIAL DIVISION)

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PROVINCE OF QUÉBEC  
DISTRICT OF ST-FRANÇOIS  
N°: 450-11-000167-134

(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*, R.S.C.  
C. C-36, as amended)

IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF:

**MONTREAL, MAINE & ATLANTIC CANADA CO.  
(MONTREAL, MAINE & ATLANTIQUE CANADA  
CIE);**

Petitioner

and

**RICHTER ADVISORY GROUP INC. (RICHTER  
GROUPE CONSEIL INC.);**

Monitor

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**MOTION FOR A THIRTEENTH ORDER EXTENDING THE STAY PERIOD  
(Sections 9 and 11 *et seq.* of the *Companies' Creditors Arrangement Act*,  
R.S.C. 1985, c. C-36 ("CCA"))**

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**TO THE HONORABLE JUSTICE GAÉTAN DUMAS OF THE SUPERIOR COURT, SITTING IN  
THE COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF  
SAINT-FRANÇOIS, THE PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:**

**I. INTRODUCTION**

1. On July 6, 2013, a train operated by Montreal Maine & Atlantic Canada Co. ("**MMAC**") derailed in the city of Lac-Mégantic, Quebec, Canada, causing numerous fatalities, bodily injuries, psychological and moral damages to thousands of people, and extensive property and environmental damages (the "**Derailment**");
2. Numerous claims have been made against MMAC and its parent company, Montreal, Maine & Atlantic Railway Ltd ("**MMA**"), arising out of the Derailment;
3. On August 7, 2013, MMA filed a voluntary petition in the United States Bankruptcy Court, District of Maine (the "**Bankruptcy Court**") for relief under Chapter 11 of the U.S. Bankruptcy Code (the "**Bankruptcy Case**");

4. On August 8, 2013, the Honourable Justice Castonguay of the Quebec Superior Court (the "**CCAA Court**") granted an initial order in respect of MMAC (the "**Initial Order**") pursuant to the CCAA and Richter Advisory Group Inc. (Richter Groupe Conseil Inc.) was appointed as monitor of MMAC (the "**Monitor**");
5. On August 21, 2013, the United States Trustee appointed Robert J. Keach to serve as trustee in the Bankruptcy Case (the "**Trustee**");
6. Pursuant to the Initial Order, a stay of proceedings was ordered until and including September 6, 2013 (the "**Stay Period**"). That Stay Period has since been extended by this CCAA Court on twelve (12) previous occasions with the most recent extension having been granted until December 15, 2015 pursuant to an order dated as of April 15, 2015 (the "**Twelfth Extension Order**"), the whole as appears from the Court record;

## II. ORDER SOUGHT

7. The Petitioner hereby seeks an extension of the Stay Period until June 17, 2016 for the reasons set out below;

## III. GROUND FOR THIS MOTION

8. Since the issuance of the Twelfth Extension Order, the Petitioner has acted and continues to act in good faith and with due diligence as set forth hereafter;

### i) **The Amended Plan**

9. Through the concerted and coordinated efforts of MMAC, the Monitor, the Trustee and those creditors that held an overwhelming majority of the votes in respect of any plan, namely the Province of Quebec, the Class Representatives and the Wrongful Death Victims (collectively, the "**Major Stakeholders**"), MMAC officially filed its *Plan of Compromise and Arrangement* on March 31, 2015 (the "**Initial Plan**");
10. The Initial Plan was filed as an exhibit to the Twelfth Extension Motion and its terms were summarized in the Twelfth Extension Motion;
11. Following further negotiations with the Major Stakeholders, as well as the settlement reached with World Fuel Services Inc. and its related entities, MMAC filed an *Amended Plan of Compromise and Arrangement* on June 8, 2015 (the "**Amended Plan**");
12. The Amended Plan was submitted to Creditors at the creditors meeting held on June 9, 2015 where it was unanimously approved with 3,879 positive votes representing approximately \$694 million of votes. Not a single creditor voted against the Amended Plan;
13. On July 13, 2015, this Honourable Court issued an order approving the Amended Plan (as rectified on August 3, 2015, the "**Canadian Approval Order**");
14. On July 27, 2015, the Canadian Pacific Railway Company ("**CP**"), which had opposed the approval of the Amended Plan, filed a motion for leave to appeal the Canadian Approval Order (the "**CP Motion for Leave**");

15. At a hearing held on September 24, 2015 in the Bankruptcy Case, the Trustee sought confirmation of his Plan of Liquidation (the "US Plan"), which is intended to mirror the effects of the Amended Plan in the United States;
16. In similar fashion to its opposition to the approval of the Amended Plan, CP opposed confirmation of the US Plan;
17. After discussions between the parties, the US Plan confirmation hearing was adjourned and it was announced to the Bankruptcy Court that discussions were underway with respect to judgment reduction language to be negotiated on both sides of the border. It was also announced that an agreement on this language could lead to the withdrawal of all of CP's oppositions and appeals, including the CP Motion for Leave;
18. An agreement was, in fact, reached with CP with respect to judgment reduction and, on October 9, 2015, this Honourable Court issued an *Order Varying the Order Approving the Amended Plan of Compromise and Arrangement*;
19. On November 4, 2015, CP withdrew the CP Motion for Leave. It subsequently withdrew all oppositions filed in the Bankruptcy Case as well;
20. On November 16, 2015, this Honourable Court issued the Class Action Order (as defined in the Amended Plan), thereby enforcing the Amended Plan within the scope of the class action proceedings instituted in the Province of Quebec in connection with the derailment (the "Class Action"). The Class Action Order dismissed and terminated the Class action as against all defendants therein, with the exception of CP;
21. Note that all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Amended Plan;

**ii) Next Steps**

22. Section 6.1 of the Amended Plan sets out the various conditions precedent to implementation. The status of those conditions is as follows, the whole as more fully appears from the Monitor's Twenty-First Report, which will be filed in support in support hereof:

Condition Precedent	Status
a) Entry of the Canadian Approval Order	Completed
b) Confirmation by the Trustee of the entry of the U.S. Approval Order	Completed
c) Entry of the Class Action Order	Completed
d) Expiry of Appeal Periods	Completed with the exception of the expiry of the appeal period for the entry of the Class Action Order which will occur on December 16, 2015.
e) Contributions	In process. As of the date hereof, settling parties have remitted CDN\$32.4 million and US\$51.5 million for a total of CDN\$101 million at current

	exchange rates. The majority of the settlement funds are expected to be received on or about December 21, 2015. However, certain settlement funds are only due following the expiry of the appeal period for the Class Action Order and thus may only be remitted by early January 2016.
f) Completion of Necessary Documentation	Substantially completed

23. The review of claims is underway by the Monitor and, as appears from its Twenty-First Report, the Monitor anticipates that it should be in a position to make an interim dividend distribution in January 2016 to those creditors holding Wrongful Death Claims, Bodily Injury and Moral Damage Claims, Subrogated Insurer Claims and Government Claims;
24. No interim distribution is anticipated in respect of Property and Economic Damages Claims for several months following the Plan Implementation Date due to the scope of work remaining to evaluate the claims;
25. While the Monitor will endeavor to resolve claim disputes consensually, the aid of an independent claims officer may be required in order to deal with disputes in an expedited and efficient manner;
26. As such, by separate motion, the Petitioner seeks the appointment of former Court of Appeal Justice André Rochon to act as the claims officer pursuant to the Claims Resolution Order;
27. It is anticipated that the Monitor will be in a position to proceed with a second, if not final, dividend distribution to creditors prior to the expiry of the extension period sought herein, with the exception of any claims that have yet to be settled by that time;

**iii) The Monitor**

28. Since the Twelfth Extension Order, the Petitioner has continued to cooperate and work diligently with the Monitor in order to provide the latter with all necessary information to prepare reports and fulfill its role and obligations;

**IV. CONCLUSION**

29. Given the impending implementation of the Amended Plan, the Petitioner is of the view that no creditor will suffer any undue prejudice by the extension of the Stay Period;
30. An extension of the Stay Period to June 17, 2016 is necessary to allow for the implementation of the Amended Plan, the ongoing review and adjudication of claims and the distribution of the Settlement Funds to creditors;
31. The Petitioner is of the view that extending the Stay Period to June 17, 2016 is thus appropriate in the present circumstances;

32. As appears from the above, the Petitioner has acted and continues to act in good faith and with the utmost diligence;
33. The Monitor has indicated to the Petitioner that it supports the present request for an extension of the Stay Period;
34. The Petitioner respectfully requests that this Honourable Court extend the Stay Period to June 17, 2016;
35. The Petitioner respectfully submits that the notices given of the presentation of the present Motion are proper and sufficient;
36. The present Motion is well founded in fact and in law;

**FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO :**

**GRANT** the present *Motion for a Thirteenth Order Extending the Stay Period* (the "**Motion**");

**DECLARE** that the notices given of the presentation of the Motion are adequate and sufficient;

**ORDER** that the Stay Period, as defined in the Initial Order, be extended by this Court up to and including June 17, 2016, the whole subject to all the other terms of the Initial Order;

**DECLARE** that the Initial Order, as amended on August 23, 2013, September 4, 2013, October 9, 2013, January 23, 2014, February 11, 2014, February 25, 2014, March 12, 2014, April 29, 2014, June 30, 2014, September 24, 2014, November 24, 2014 and April 15, 2015 (amendment of the Stay Period) shall remain otherwise unchanged;

**ORDER** the provisional execution of the order notwithstanding any appeal, without the necessity of furnishing any security;

**THE WHOLE** without costs, save and except in the event of contestation.

MONTREAL, November 25, 2015

  
**GOWLING LAFLEUR HENDERSON LLP**  
Attorneys for Petitioner

CANADA

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(COMMERCIAL DIVISION)

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**NOTICE OF PRESENTATION**

TO: **SERVICE LIST**

**TAKE NOTICE** that the present *Motion for a Thirteenth order extending the stay period* will be presented for adjudication before the honourable Gaétan Dumas, j.s.c., of the district of Saint-François, on **November 26, 2015**, in **room 1** of the Sherbrooke Courthouse, located at 375 West King Street, at 10:00 a.m. or so soon as counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**

MONTREAL, November 25, 2015



**GOWLING LAFLEUR HENDERSON LLP**  
Attorneys for Petitioner