

**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 ORDER: (A) AUTHORIZING DEBTOR TO OBTAIN POST-PETITION
FINANCING; AND (B) GRANTING TO CAMDEN NATIONAL
BANK POST-PETITION SECURITY INTERESTS**

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 Order: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Security Interests* (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(d)(4) and 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. Also on August 7, 2013, the Debtor's wholly-owned subsidiary, Montreal Maine & Atlantic Canada Co. ("MMAC") 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.

5. In that capacity, the Trustee filed the Motion seeking authority for the Debtor to obtain financing (the "Loan") from Camden National Bank (the "Bank") in the principal amount of \$3,000,000.00 to satisfy the Debtor's working capital and operational needs pending a sale of the Debtor's assets.

6. As set forth in the Motion, the Loan will be secured by a first priority mortgage on the Debtor's real property located in the United States, and will be secured by a first priority security interest in the Debtor's personal property located in the United States, to the extent such collateral has been pledged to the Federal Railroad Administration (collectively, the "Collateral"). The Trustee anticipates that the FRA, which has a first 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 this Collateral to the Bank, thereby permitting the Bank to have a priming lien on the Collateral.

7. The Trustee seeks the authority to enter into the Loan on an expedited basis to ensure that the Debtor has sufficient funds to continue operating pending a sale of its assets.

Continued operation of the Debtor will ensure that the Debtor's assets can be sold at going-concern rates, which will maximize the value of the Debtor's estate and the distribution to creditors.

8. The authority to continue using cash collateral currently expires on October 11, 2013, and the Debtor's financial projections indicate that the Debtor may be financially compromised by mid-October without an additional source of cash. Additionally, the terms of the commitment letter (the "Commitment Letter") issued by the Bank require that the Loan close on or before October 25, 2013, and approval of the Loan by this Court is a condition to closing.

9. Further, the initial order entered in the Canadian Case terminates on October 9, 2013, and will not be extended if it appears that MMAC and/or the Debtor are not financially viable. Additionally, MMAC's certificate of fitness expires on October 18, 2013; again, if MMAC and/or the Debtor are not financially viable, MMAC's certificate may not be renewed.

10. Finally, in light of the current operational shutdown of the U.S. federal government, and the potential furlough of FRA employees in the coming days and weeks, the Trustee requires that the Motion be heard on an expedited basis to ensure that the FRA has a full and fair opportunity to respond to, and be heard on, the Motion prior to a furlough taking full effect.

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

RELIEF REQUESTED

12. By this Motion to Expedite, the Trustee requests that the Court: (a) schedule a hearing on the Motion for October 9, 2013 at 9:00 a.m.; (b) set a shortened objection deadline for

October 8, 2013; and (c) approve service of the Motion to Expedite and the Motion in the manner set forth herein.

BASIS FOR RELIEF

13. 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 Rules 2002, 4001(d)(2); Local Rule 9013-1(d)(5).

14. 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, pending a sale of its assets. For the reasons stated in paragraphs 8 and 9 of this Motion to Expedite, failure to obtain the relief requested in the Motion within an expedited timeframe may severely and irreparably harm both the Debtor and MMAC, possibly leading to a curtailment of operations, to the detriment of all creditors.

15. Further, in light of the current shutdown of the U.S. federal government, the Trustee requires that the Motion be heard on an expedited basis to ensure that the FRA has sufficient opportunity to respond to, and be heard on, the Motion, prior to the potential furlough of FRA employees in the coming days or weeks.

16. As noted above, enabling the Debtor to continue to operate pending a sale of its assets will ensure that its assets can be sold at a going-concern value, thereby maximizing 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 the Bank, and submits that no parties will be prejudiced should the Motion be heard on an expedited basis.

17. In addition, under Bankruptcy Rules 4001(1)(A)(v) and 4001(d)(4), for a motion such as the Motion, which seeks approval of an agreement by a creditor with an existing lien to subordinate to a lien granted to a new lender, the “court may direct that the procedures prescribed in paragraphs (1), (2), and (3) of [Rule 4001(d)] shall not apply and the agreement may be approved without further notice if the court determines that a motion made pursuant to [Rule 4001(c)] was sufficient to afford reasonable notice of the material provisions of the agreement and opportunity for a hearing.” Fed. R. Bankr. Proc. 4001(d)(4).

18. The Court has indicated that it has availability on October 9, 2013 at 9:00 a.m., and there are currently other hearings scheduled in this case for that same date and time. In addition, the court in the Canadian case is considering an extension of the initial order in favor of MMAC on October 9, 2013 as well.

19. 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.

NOTICE

20. 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 United States Trustee; (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 9, 2013 at 9:00 a.m. and a shortened objection deadline for October 8, 2013; and (d) granting such other and further relief as the Court deems just and equitable under the circumstances.

Dated: October 4, 2013

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

By his attorneys:

/s/ Sam Anderson
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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
CHAPTER 11 TRUSTEE'S MOTION FOR ORDER: (A) AUTHORIZING
DEBTOR TO OBTAIN POST-PETITION FINANCING; AND (B)
GRANTING TO CAMDEN NATIONAL BANK POST-PETITION
SECURITY INTERESTS**

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 Order: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Security Interests* (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 Order: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Security Interests* (the "Motion") was sufficient in light of the nature of the relief requested.
3. An expedited hearing on the Motion is set for October 9, 2013 at 9:00 a.m. and the deadline to object to the same is October 8, 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 Chapter 11 Trustee’s Motion for Order: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Security Interests* (the “Motion to Expedite”) and *Chapter 11 Trustee’s Motion for Order: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Security Interests* (the “Motion”).

If you do not want the Court to approve the Motion to Expedite or the Motion, then on or before **October 8, 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 October 8, 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 9, 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: October 4, 2013

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

By his attorneys:

/s/ Sam Anderson

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