

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:)	
)	
Montreal Maine & Atlantic Railway Ltd.,)	Case No. 13-10670
)	
Debtor.)	Related to Docket No. 548
)	

**WHEELING & LAKE ERIE RAILWAY COMPANY’S CONSENT, WITH
RESERVATION OF RIGHTS, TO TRUSTEE’S MOTION FOR ENTRY OF AN ORDER
AUTHORIZING PAYMENT OF PRE-PETITION USE TAXES AND OTHER
TRUST-FUND TAXES OWED TO THE STATE OF MAINE**

NOW COMES the Wheeling & Lake Erie Railway Company (“Wheeling”) and consents to the above-referenced motion (the “Motion”) [D.E. 548] filed by Robert J. Keach, the Chapter 11 Trustee (the “Trustee”) of Montreal, Maine & Atlantic Railway, Ltd. (the “Debtor”), subject to the following reservation of rights.

1. Wheeling consents to the Motion to the extent that it would authorize the Trustee to pay certain tax claims owed by the Debtor to Maine Revenue Services (“MRS”). Wheeling concurs with the Trustee that it is in the best interests of the estate to ensure that MRS ceases to pursue officers of the Debtor for payment of these taxes, so that officers may focus their attention on administration of the case.

2. As the Court is aware, Wheeling claims a valid and perfected first-priority security interest in all sources of the Debtor’s business income pursuant to that certain Security Agreement executed and delivered by the Debtor, *inter alia*, to Wheeling on or about June 15, 2009. Moreover, throughout the Debtor’s bankruptcy proceedings, this Court has conditioned the Debtor’s and, subsequently, the Trustee’s use of Wheeling’s cash collateral on the grant of a replacement lien in all post-petition accounts, inventory, and proceeds thereof, as well as a

superpriority administrative expense claim to the extent that the replacement lien fails to provide adequate protection. *See, e.g.*, Sixth Interim Order Authorizing Debtor to Use Cash Collateral and Granting Adequate Protection, dated October 11, 2013 (the “Sixth CC Order”), ¶¶ 9-10 [D.E. # 376].

3. To the extent that the Trustee expends funds constituting Wheeling cash collateral, or assets that would otherwise be subject to the replacement lien granted in favor of Wheeling, Wheeling reserves all of its rights to an accounting for such expenditure and for additional adequate protection on account of the Trustee’s use of Wheeling’s cash collateral or other asset subject to its replacement lien.

CONCLUSION

For these reasons, Wheeling respectfully requests that the Court enter an order granting the Motion and such additional relief as the Court deems just and proper.

Dated: February 4, 2014

/s/ George J. Marcus

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