

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MAINE**

In re:  
  
MONTREAL MAINE &  
  
ATLANTIC RAILWAY, LTD.  
  
Debtor.

Case No.: Bk. No. 13-10670  
Chapter 11

**FIRST INTERIM APPLICATION FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES OF COVINGTON & BURLING LLP,  
SPECIAL COUNSEL TO THE TRUSTEE, ROBERT J. KEACH, FOR THE  
PERIOD FROM AUGUST 21, 2013, THROUGH APRIL 30, 2014**

Name of applicant:	Covington & Burling LLP
Authorized to provide professional services to:	Special Counsel to Robert J. Keach, Chapter 11 Trustee
Date of retention:	August 21, 2013
Period for which compensation and reimbursement is sought:	August 21, 2013, through April 30, 2014
Usual and customary fees	\$32,947.50
Discretionary reduction	(\$7,947.50)
Amount of fees requested:	\$25,000.00
Amount of expense reimbursement requested:	\$136.84
Total fees and expenses requested:	\$25,136.84
Amount Paid to Date:	None

**Timekeeper Summary**

<b>Timekeeper</b>	<b>Title</b>	<b>Bar Admission Date</b>	<b>2014 Rate</b>	<b>2013 Rate</b>	<b>Hours</b>	<b>Amount</b>
Michael Baxter	Partner	1985	\$915.00	\$880.00	29.3	\$25,913.50
Michael Cutler	Partner	1982	\$885.00	\$885.00	.5	\$442.50
Michael Rosenthal	Of Counsel	1994	\$715.00	\$715.00	5.1	\$3,646.50
Matthew Connolly	Associate	2009	\$460.00	\$460.00	2.	\$920.00
Spencer Walters	Associate	2010	\$405.00	\$405.00	5.	\$2,025.00
<b>Total</b>					41.9	\$32,947.50
<b>Less Discretionary Reduction</b>						<b>(\$7,947.50)</b>
<b>Total Fees Requested</b>						<b>\$25,000.00</b>
<b>Blended Hourly Rate Charged</b>						<b>\$596.66</b>

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REIMBURSEMENT OF EXPENSES OF COVINGTON & BURLING LLP,  
SPECIAL COUNSEL TO THE TRUSTEE, ROBERT J. KEACH, FOR THE  
PERIOD FROM AUGUST 21, 2013, THROUGH APRIL 30, 2014**

Covington & Burling LLP (“**Covington**”), special counsel to Robert J. Keach, the Chapter 11 Trustee of the above-captioned debtor (“**Debtor**”), submits this first interim application (“**Application**”) for allowance of compensation and reimbursement of expenses from August 21, 2013, through April 30, 2014 (“**Compensation Period**”). By this Application, Covington requests allowance of (i) compensation for professional services Covington rendered during the Compensation Period in the amount of \$25,000.00, and (ii) reimbursement of actual and necessary expenses and other charges incurred by Covington in connection with the rendition of such professional services in the amount of \$136.84.

**Background**

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding under 28 U.S.C. § 157(b)(2).

2. On August 7, 2013, the Debtor commenced a voluntary case under Chapter 11 of the Bankruptcy Code. On August 21, 2013, the United States Trustee appointed Robert J. Keach as Chapter 11 Trustee pursuant to Bankruptcy Code § 1102. *See* D.E. 107.

3. On August 29, 2013, the Court entered an order under Bankruptcy Code § 1103 and Bankruptcy Rule 2014, approving Covington's retention as special counsel to the Trustee. *See* D.E. 121.

4. Pursuant to Bankruptcy Rule 2016(a), Covington states that it has not entered into any agreement or understanding with any other entity for the purpose of sharing fees or other compensation received or to be received for the professional services rendered in or in connection with this case.

#### **Summary of Services Rendered**

5. During the Compensation Period, Covington has represented and advised the Trustee on railroad regulatory issues. Covington (i) provided consulting and legal services in connection with authorizations from the Surface Transportation Board, the Federal Railroad Administration, and/or the United States Department of Transportation; and (ii) provided railroad regulatory advice to the Trustee in connection with the case.

6. Attached as **Exhibit A** is a copy of the daily time records for each month in the Compensation Period, broken down by task code and listing the name of the attorney or paraprofessional, the date on which the services were performed, and the amount of time spent in performing the services.<sup>1</sup> Covington's services during the Compensation Period included the following: (i) asset analysis and disposition (ii) meetings and communications with trustee and counsel; (iii) meetings and communications with Department of Transportation, Surface Transportation Board,

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<sup>1</sup> The lines between certain billing categories are not always precise, and certain aspects of the billing categories may overlap. Accordingly, in some instances, different timekeepers may charge their time to different categories, although their work involved the same underlying matters.

Federal Railroad Administration, and/or Railroad Safety Advisory Committee; (iv) transportation regulatory issues; and (v) review and monitor relevant bankruptcy pleadings and proceedings.

**Covington's Fees and Expenses**

7. Covington requests that the Court grant Covington allowance of (i) compensation for professional services rendered during the Compensation Period in the amount of \$25,000.00; and (ii) reimbursement of actual and necessary expenses and other charges incurred by Covington in connection with the rendition of such professional services in the amount of \$136.84.

8. The services that Covington rendered to the Committee during the Compensation Period required 41.9 hours of the time of attorneys and paraprofessionals. For the Compensation Period, Covington incurred fees of \$32,947.50 at its usual and customary hourly rates. In the exercise of billing judgment, Covington reduced its fees by \$7,947.50 or 24 percent. With this reduction, the total compensation requested is only \$25,000.00.

9. Covington incurred actual and necessary expenses and other charges posted in the Compensation Period totaling \$136.84.

10. The disbursements for which Covington seeks reimbursement include the following:

- a. Scanning. Charged at \$0.15 per page.
- b. Duplicating. Charged at \$0.10 per page.<sup>2</sup>
- c. Color Duplicating and Printing. Charged at \$0.15 per page.
- d. Telecommunications. Long-distance calls charged at \$0.18 per minute, outgoing facsimile transmissions charged at \$1.50 per page, and

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<sup>2</sup> Covington customarily charges \$0.15 cents per page but has reduced the charge for this case.

teleconferencing services charged at actual cost (there is no charge for incoming facsimiles).

**Basis for Relief**

11. Attached as **Exhibit B** is a summary of expenses.

12. The allowance of compensation for services rendered and reimbursement of expenses incurred in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

[A]ny professional person employed under section . . . 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

13. Section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that a court may award to a professional person, including a professional person employed under section 1103, “reasonable compensation for actual, necessary services rendered,” together with “reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1). The Congressional intent and policy expressed in section 330 of the Bankruptcy Code is to provide for adequate compensation to attract qualified and competent practitioners to bankruptcy cases.

14. The services for which Covington seeks compensation were necessary and beneficial to the Debtor’s estate. Covington has exercised care to avoid any unnecessary duplication of effort and to ensure the proper utilization of time.

15. Covington submits that its request for allowance of compensation is reasonable. The services rendered were necessary to represent the Chapter 11 Trustee as special counsel. Covington performed its services diligently and efficiently. In the

exercise of billing judgment, Covington has voluntarily reduced its fees by \$7,947.50 or 24 percent.

16. Covington has exercised the required skill and expertise in representing and advising the Trustee on railroad regulatory issues in this case.

17. Covington's hourly rates for its attorneys and paraprofessionals are its customary rates for such services and are the customary rates generally charged by the firm to its nonbankruptcy clients. Covington believes that its rates are comparable to those charged for similar services by other major law firms.

18. Covington is one of the oldest and largest law firms in Washington, D.C., and has extensive experience in railroad regulatory matters. Covington is recognized for its expertise in matters before the Surface Transportation Board, Federal Railway Administration, and the Department of Transportation. The firm's specialized knowledge and experience with respect to federal railroad regulatory matters, combined with its familiarity with Chapter 11 proceedings, were valuable to the Trustee's administration of the Debtor's estate.

19. Covington believes that its fees charged in this case are commensurate with the complexity, importance, and nature of the issues, and are comparable to fees normally requested for similar services by comparably skilled practitioners.

#### **Conclusion**

20. For the reasons set forth above, Covington requests that this Court enter an order awarding Covington (i) compensation for services rendered for the Compensation Period in the amount of \$25,000.00; (ii) reimbursement of actual and necessary expenses and other charges incurred in connection with the rendition of such services, in the amount of \$136.84; and (iii) such other and further relief as may be just and proper.

May 22, 2014

Respectfully submitted,

**COVINGTON & BURLING LLP**

By: /s/ Michael St. Patrick Baxter  
Michael St. Patrick Baxter  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004-2401  
Telephone: (202) 662-6000  
Facsimile: (202) 778-5164  
E-mail: mbaxter@cov.com



**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC  
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670  
Chapter 11

**ORDER GRANTING FIRST INTERIM APPLICATION FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES OF COVINGTON & BURLING LLP, SPECIAL  
COUNSEL TO THE TRUSTEE, ROBERT J. KEACH, FOR THE PERIOD  
FROM AUGUST 21, 2013 THROUGH APRIL 30, 2014**

This matter having come before the Court on the *First Interim Application for Compensation and Reimbursement of Expenses of Covington & Burling LLP, Special Counsel to the Trustee, Robert J. Keach, for the Period from August 21, 2013 through April 30, 2014* (the “Fee Application”), and after proper notice to all creditors and other parties-in-interest, the Court having independently reviewed the Fee Application, it is hereby **ORDERED, ADJUDGED,** and **DECREED** as follows:

1. The Fee Application is granted.
2. In relation to the Compensation Period and, pursuant to 11 U.S.C. § 331, Covington & Burling LLP is allowed compensation for services to the Trustee in the aggregate amount of \$25,136.84, including professional fees in the amount of \$25,000.00 and reimbursement of expenses in the amount of \$136.84.<sup>1</sup>

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Fee Application.

3. The Fees and expenses for the Compensation Period are hereby awarded on an interim basis in accordance with the applicable sections of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and this Court's local rules.

Dated:

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The Honorable Louis H. Kornreich  
United States Bankruptcy Court for the District of  
Maine