

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670
Chapter 11

**FIRST INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT
OF EXPENSES FOR DEVELOPMENT SPECIALISTS, INC., AS FINANCIAL
ADVISOR FOR THE ESTATE REPRESENTATIVE, ROBERT J. KEACH,
FOR THE PERIOD FROM DECEMBER 23, 2015 THROUGH MAY 31, 2016**

Name of Applicant: Development Specialists, Inc.

Authorized to Provide Professional Services as: Financial Advisor to Robert J. Keach, the
estate representative of the Debtor's post-
effective date estate

Petition Date: August 7, 2013

Date of Retention: August 29, 2013, nunc pro tunc to
August 21, 2013*

Period for Which Compensation and Reimbursement is Sought: December 23, 2015 through and including
May 31, 2016

Total Amount of Compensation sought as actual, reasonable and necessary: \$14,594.00

Total Amount of Expenses sought as actual, reasonable and necessary: \$326.90

Total Fees and Expenses Requested: \$14,920.90

This is a(n): ___ monthly X interim ___ final application.

* Development Specialists, Inc. ("DSI") was retained on this date as financial advisor to Robert J. Keach in his capacity as chapter 11 trustee for the Debtor's estate. In his capacity of estate representative of the post-effective date estate of the Debtor (the "Estate Representative"), pursuant to the terms of the *Trustee's Revised First Amended Chapter 11 Plan of Liquidation, Dated July 15, 2015 (As Amended on October 8, 2015)* [D.E. 1822] (the "Plan"), Mr. Keach selected DSI as financial advisor on the Effective Date (as defined in the Plan).

SUMMARY BY TIMEKEEPER OF SERVICES RENDERED

NAME OF PROFESSIONAL	HOURLY BILLING RATES	TOTAL BILLED HOURS	TOTAL COMPENSATION
Fred Caruso	\$660.00	16.4	\$10,824.00
Matt Farnsworth	\$290.00	13.0	\$3,770.00
TOTAL		29.4	\$14,594.00

Blended professional hourly rate: \$475.00

COMPENSATION BY FEE CATEGORY FOR SERVICES

FEE CATEGORY	HOURS	AMOUNT
Fee Application and Client Billing	0.5	\$330.00
Business Analysis	7.1	\$3,317.00
Monthly Operating Reports	5.7	\$1,838.00
Claims Analysis/Objections	10.7	\$5,915.00
Wind Down Operations	5.4	\$3,194.00
TOTAL	29.4	\$14,594.00

EXPENSE SUMMARY FOR SERVICES RENDERED

CHARGES & DISBURSEMENTS	AMOUNTS
Overnight Delivery	\$50.87
Photocopies (at \$0.10/page)	\$66.60
Postage	\$27.51
Long Distance Telephone	\$161.12
PACER Charges	\$20.80
TOTAL	\$326.90

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FOR THE PERIOD FROM DECEMBER 23, 2015 THROUGH MAY 31, 2016**

Development Specialists Inc. (“DSI”), financial advisor to Robert J. Keach, the estate representative (the “Estate Representative”) for the post-effective date estate of Montreal Maine & Atlantic Railway, Ltd. (“MMA” or the “Debtor”),¹ submits this first application (the “Fee Application”) seeking compensation for professional services and reimbursement of expenses on an interim basis for the period from December 23, 2015 through and including May 31, 2016 (the “Compensation Period”). In support of the Fee Application, DSI states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2). The statutory predicates for the relief sought herein are sections 327(a) and 330 of the Bankruptcy Code (defined below), Federal Rule of Bankruptcy Procedure 2016(a), and Rule 2016-1 of the local rules of this Court (the “Local Rules”).

¹ In accordance with the Plan (as defined below), Robert J. Keach became the Estate Representative of the post-effective date estate of MMA on the effective date of the Plan, December 22, 2015. See Plan, § 6.1(a).

BACKGROUND

2. On August 7, 2013 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Maine (the “Bankruptcy Court”). On August 21, 2013, the United States Trustee (the “U.S. Trustee”) appointed Robert J. Keach as chapter 11 trustee (the “Trustee”) to serve in the Debtor’s chapter 11 case (the “Case”) pursuant to 11 U.S.C. § 1163.

3. On August 26, 2013, the Trustee filed his *Application for Order, Pursuant to Sections 327 and 328 of the Bankruptcy Code, Authorizing the Employment of Development Specialists Inc., as Financial Advisor for the Trustee Nunc Pro Tunc to August 21, 2013* [Docket No. 100] (the “Retention Application”). Thereafter, on August 29, 2013, the Court entered an order authorizing the employment of DSI as financial advisor to the Trustee pursuant to sections 327 and 328 of the Bankruptcy Code [Docket No. 119] (the “Retention Order”).

4. As set forth in the Retention Order, DSI was authorized to, *inter alia*:
- (a) Analyze and comment on operating and cash flow projections, operating results, financial statements, other documents and information provided by the Debtor, and other data pursuant to the Trustee’s request;
 - (b) Advise and assist the Trustee in reviewing the Debtor’s supporting information relating to any historical financial information, financial projections and underlying assumptions;
 - (c) Advise and assist the Trustee with respect to evaluation of whether liabilities are pre-or post-petition;
 - (d) Advise the Trustee in connection with the Debtor’s preparation of various financial reports for submission to the Court, including monthly operating reports, schedules of assets and liabilities, and statements of financial affairs for the Debtor;
 - (e) Assist the Trustee with preparation of information for both the disclosure statement and plan of reorganization, including estimation of various recovery values by claims class;
 - (f) Provide testimony on related matters, as appropriate; and

- (g) Provide any other reasonably related financial advisory or management consulting services that the Trustee may, from time to time, request.

See Retention Order, ¶ 4.

5. The Retention Order further provides that DSI shall receive compensation on an hourly basis and in accordance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, the United States Trustee Guidelines for Reviewing Applications for Compensation & Reimbursement of Expenses filed under 11 U.S.C. § 330 (the “UST Guidelines”), and any applicable orders of the Court. See Retention Order, ¶¶ 1–2; *see also* Retention Application, ¶¶ 15–16.

6. On October 1, 2014, the Trustee filed the *Motion Pursuant to Sections 327 and 328 of the Bankruptcy Code to Amend the Terms of Retention of Development Specialists, Inc., as Financial Advisor to the Trustee Nunc Pro Tunc to August 11, 2014* [Docket No. 1130] (the “Amended Retention Application”). The Amended Retention Application sought to expand the scope of DSI’s retention to include DSI to provide certain services to Central Maine & Quebec Railway US, Inc. (“CMQ”). *See Amended Retention Application*, ¶ 9. For these services, CMQ shall remit payment to the Debtor and the Debtor shall use payment received “to pay the associated fees and expenses requested by DSI in an interim or final application for compensation and reimbursement to the extent approved the Bankruptcy Court” Id. On October 27, 2014, the Court entered an order granting the Amended Retention Application and amending the terms of DSI’s retention [Docket No. 1175] (the “Amended Retention Order”).

7. On October 9, 2015, this Court entered the *Order Confirming Trustee's Revised First Amended Plan of Liquidation Dated July 15, 2015 and Authorizing and Directing Certain Actions in Connection Therewith* [D.E. 1801] (the “Confirmation Order”), which, among other

things, confirmed the *Trustee's Revised First Amended Plan of Liquidation Dated July 15, 2015 (As Amended on October 8, 2015)* [D.E. 1822] (the “Plan”).

8. The effective date of the Plan occurred on December 22, 2015 (the “Effective Date”). Pursuant to the Plan, *inter alia*: (a) the Estate Representative was entitled to retain professionals in the ordinary course of business and without further order of the Court, including any professionals previously retained by the Trustee; and (b) the Estate Representative’s professionals must file fee applications for approval by the Court. *See* Plan at § 6.2(d).

9. On the Effective Date, the Estate Representative retained DSI.

10. Since the Effective Date and throughout the Compensation Period, DSI has worked with the Estate Representative to meet the extraordinary challenges presented by this Case in a manner beneficial to the post-effective date estate of the Debtor (the “Post-Effective Date Estate”) and the creditors of the Debtor’s estate. The following discussion and materials annexed hereto cover the major categories of services for which allowance of compensation is sought.

COMPENSATION AND REIMBURSEMENT REQUEST

11. DSI seeks allowance of compensation for professional services in the amount of \$14,594.00 and reimbursement of expenses incurred in rendering such services in the amount of \$326.90. Pursuant to Rule 2016(a) of the Federal Rules of Bankruptcy Procedure and Local Rule 2016-1(a)(3)(i), a detailed statement of professional services provided by DSI to the Estate Representative during the Compensation Period (the “Billing Statement”) is set forth in **Exhibit A**, annexed hereto and incorporated herein by reference. DSI has carefully reviewed the

Billing Statement on a line-by-line basis to ensure that services have been billed under the correct fee category.²

12. Pursuant to Local Rule 2016-1(a)(3)(iv), a detailed statement setting forth billing rates, total hours billed, and total amounts billed for each professional at DSI during the Compensation Period and associated expenses incurred is contained in the tables located at the beginning of this Fee Application.

13. No agreement or understanding exists between DSI and any other entity for the sharing of compensation sought by this Fee Application. In addition, no payments have been made or promised to DSI for services rendered or to be rendered in connection with the Case, except as set forth in the Retention Application.

14. As discussed in the Retention Application and the *Affidavit of M. Donald Gardner, Jr. in Support of First Day Pleadings* [Docket No. 11] (the "Gardner Affidavit"), DSI is one of the nation's oldest and most respected financial restructuring, consulting and management firms, and routinely operates, manages, and consults "troubled businesses" on behalf of lending institutions as well as other secured parties, bondholders, shareholder committees, court-approved fiduciaries, and business owners. DSI is experienced in all aspects of insolvency and bankruptcy consulting, and regularly serves as consultant to debtors in both chapter 7 and chapter 11 proceedings, as well as in other fiduciary capacities such as chapter 11 trustee, chapter 7 trustee, court-appointed examiner, post-confirmation trustee, federal equity receiverships and state court receiverships. Consultants from DSI have been involved in over 4,000 cases throughout the United States, Puerto Rico, the Virgin Islands, Canada and Europe. DSI has the necessary background to deal effectively with the financial issues and problems that

² DSI implemented fifteen (15) task codes for specific categories of work to permit a more detailed analysis of the fees incurred. Given the large range of issues involved, some overlaps and inconsistencies in task code assignments are inevitable despite DSI's best efforts to ensure that work on a specific topic is billed to a single task code.

have arisen and may arise in the context of the Case and has rendered financial advice to the Estate Representative in an efficient and timely manner. Pursuant to Local Rule 2016-1(a)(3)(v), a brief biography of each DSI professional who has rendered services in connection with the fees and expenses described herein is set forth in **Exhibit B**, annexed hereto and incorporated herein by reference.

15. This Fee Application is DSI's first application to this Court in this Case as financial advisor to the Estate Representative for compensation for professional services and reimbursement of expenses pursuant to sections 328 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, and Local Rule 2016-1. As required by paragraph (b)(v) of the UST Guidelines, the Estate Representative has been given the opportunity to review this Fee Application and has approved the requested amount.

SUMMARY OF SERVICES

16. DSI serves as financial advisor to the Estate Representative with respect to all financial matters that arise in or relate to the administration of the Post-Effective Date Estate. In rendering professional services to the Estate Representative, DSI's team includes professionals with extensive experience in financial analysis related to bankruptcy, asset sales and valuation, secured financing, and management (among other things). DSI professionals have worked closely with the Estate Representative and his other professionals to coordinate assignments in order to maximize efficiency and avoid any duplication of effort.

17. DSI does not wish to burden the Court with an overly detailed recitation of each and every matter with respect to which it has rendered services during the Compensation Period (all of which are detailed more fully in the Billing Statement). Accordingly, this Fee Application is intended to serve as a summary description of the more significant services rendered by DSI, and to highlight the benefits which have been conferred upon the creditors of the Debtor's estate

as a result of DSI's efforts. The following section provides an overview of certain of the significant services rendered by DSI during the Compensation Period, organized by task code.

18. All of the services for which DSI requests compensation herein were rendered on behalf of the Estate Representative in connection with this Case, and all the time described on the attached exhibits represents the actual amount of time spent by DSI professionals who rendered the described services. The major services provided by DSI (by category) are summarized below:

A. Business Analysis: Total \$3,317.00; Total Hours 7.1

This category consists primarily of Mr. Caruso's time for the following tasks:

- (i) Monitoring daily cash flow and approve weekly disbursements;
- (ii) Preparing cash flow forecasts for use by Estate Representative;
- (iii) Preparing and respond to information requests from the Canadian monitor;
and
- (iv) Maintenance of financial general ledger post-closing.

B. Monthly Operating Reports: Total \$1,838.00; Total Hours 5.7

This category consists primarily of Mr. Fasrnsworth's time for the preparation of the Post-Effective Date Estate's monthly operating reports, including review of the Post-Effective Date Estate's operating accounts, reconciliation of three accounts receivable ledgers and two accounts payable ledgers.

C. Claims Analysis/Objections: Total \$5,915.00; Total Hours 10.7

The time for this category is primarily for Mr. Caruso's and Mr. Fasrnsworth's assistance to the Estate Representative in his objection to various claims, including that of Bangor Savings Bank.

D. Wind Down Operations: Total \$3,194.00; Total Hours 5.4

This category includes:

- (i) Coordinating environmental testing for the Derby, ME facility; and
- (ii) Renewing the liability insurance policy for the Derby facility.

ACTUAL AND NECESSARY DISBURSEMENTS

19. As set forth on Exhibit A hereto, DSI has disbursed \$326.90 as expenses incurred in providing professional services during the Compensation Period. The expenses incurred arise from, *inter alia*, photocopies, overnight delivery charges, postage, and long-distance telephone charges. These expenses represent the out-of-pocket disbursements incurred during the regular course of the provision of services.

THE REQUESTED COMPENSATION AND REIMBURSEMENT OF EXPENSES SHOULD BE ALLOWED ON AN INTERIM BASIS

20. Pursuant to section 330 of the Bankruptcy Code, the Court may award professionals “reasonable compensation for actual, necessary services.” 11 U.S.C. § 330(a)(1)(A). In evaluating the amount of reasonable compensation to be awarded, the Court should consider:

the nature, the extent, and the value of such services, taking into account all relevant factors including:

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

(F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

21. DSI submits that the services for which it seeks compensation in this Fee Application were necessary for and beneficial to the Post-Effective Date Estate. The services rendered by DSI were performed economically, effectively, and efficiently. Accordingly, the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Post-Effective Date Estate.

22. The work conducted was carefully assigned to appropriate professionals according the experience and level of expertise required for each particular task. Whenever possible and where appropriate, DSI sought to minimize the costs of its services by utilizing talented professionals with lower billing rates.

23. In sum, the services rendered by DSI were necessary and beneficial to the Post-Effective Date Estate and such services were consistently performed in a timely manner, commensurate with the complexity and nature of the issues involved. Accordingly, approval of compensation sought herein is warranted.

[remainder of page intentionally left blank]

CONCLUSION

WHEREFORE, DSI respectfully requests that the Court enter an order: (a) approving on an interim basis, pursuant to 11 U.S.C. § 330, compensation for services rendered during the Compensation Period in the amount of \$14,594.00 and reimbursement of expenses in the amount of \$326.90; and (b) granting such other and further relief as the Court deems just and proper.

Dated: August 1, 2016

DEVELOPMENT SPECIALISTS, INC.

By:

/s/ Fred Caruso

Fred Caruso

70 West Madison Street, Suite 2300

Chicago, IL 60602

Telephone: (312) 263-4141

E-mail: fcaruso@dsi.biz

*Financial Advisor for Robert J. Keach,
Estate Representative for the Post-Effective
Date Estate of Montreal Maine & Atlantic
Railway, Ltd.*

No. 11507



REMIT TO:
 Three First National Plaza 70 West Madison Street, Suite 2300, Chicago, IL 60602-4250
 Telephone: 312.263.4141 Telecopier: 312.263.1180



Date: 06/20/16

Montreal, Maine & Atlantic Railway
 c/o Robert J. Keach
 Bernstein Shur Sawyer & Nelson
 100 Middle Street
 Portland, Maine 04104

F.E.I.N. 36-2967476

Description of Services and Disbursements	Fees	Disbursements	Credits	Balance
For professional services rendered from December 23, 2015 through May 31, 2016:				
Fees per attached category summary:				
Fee Application/Client Billing	0.50	\$330.00		
Business Analysis	7.10	3,317.00		
Monthly Bankruptcy Reports/Semi-Annual Reports	5.70	1,838.00		
Claims Analysis/Objections	10.70	5,915.00		
Wind Down Operations	5.40	3,194.00		
	<u>29.40</u>	<u>\$14,594.00</u>		
Administrative Costs:				
Messenger/Overnight Services		\$50.87		
Photocopies		66.60		
Postage		27.51		
Long Distance Calls		161.12		
Pacer Charges		<u>20.80</u>		
		<u>\$326.90</u>		
Net Due				<u>\$14,920.90</u>
TIMELY PAYMENT OF INVOICES IS ALWAYS APPRECIATED.				PAY LAST AMOUNT IN THIS COLUMN

Montreal, Maine & Atlantic Corporation
c/o Robert J. Keach
Bernstein Shur Sawyer & Nelson
100 Middle Street
Portland ME 04104

			HOURS	
02/15/2016	FCC	Complete schedules for DSI's 4th and final fee application, including review of detail time entries, narrative for category descriptions and review of expenses.	0.50	
		Fee Application/Client Billing	0.50	330.00
01/11/2016	MEF	Rollforward MMA's 12/31/14 trial balance to 12/31/15 via summarizing and posting cash receipts and disbursements for the TD operating account and the BSSN escrow account and begin review of balances requiring further adjustment in order to prepare MMA's 2015 U.S. and Maine tax return.	2.20	
	MEF	Rollforward MCC's 12/31/14 trial balance via summarizing cash receipts and disbursements activity for the entire year for the CIBC operating account and Richter escrow account and begin review of accounts requiring further adjustment in order to prepare the 2015 Canadian tax returns.	1.50	
01/20/2016	FCC	Update the escrow analysis, including professional fee reserve, other reserve balances and calculation of cash free of liens and reserve claims; e-mail same to the trustee.	1.00	
01/28/2016	FCC	Telephone call with Shawn Travitsky regarding escrow accounts managed by Richter and accounting treatment for same (.2); follow-up telephone call with Andrew Adessky and Shawn regarding same (.3).	0.50	
	FCC	Telephone call with Gaynor Ryan regarding tax notices received for 2014 and preparation of CT-1 for Derby's 2015 CT-1 (.1); follow-up telephone call with Cindy Brooks regarding same (.2).	0.30	
02/11/2016	FCC	E-mail exchange with Kristin Restone regarding 2015 corporate income tax issues.	0.10	
03/16/2016	FCC	Research and respond to questions received from Lindsay Zahradka regarding sale closing payment to FCM.	0.10	
03/17/2016	FCC	Telephone call with Lindsay Zahradka regarding calculation of the professional fee reserve.	0.30	
05/11/2016	FCC	Telephone call with Tim McKeon regarding my declaration for Wheeling 506(c) issue (.4), review and e-mail revisions to Tim (.3), and execute final draft (.1).	0.80	
05/16/2016	FCC	Review information received from Gaynor Ryan for MMA 2014 and 2015 CT-1, execute same and mail to the IRS.	0.30	
		Business Analysis	7.10	3,317.00

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			HOURS	
01/17/2016	MEF	Begin to create the December monthly operating report.	0.70	
	MEF	Review correspondence related to preference settlements, create summary of questions related to the December monthly operating report and e-mail to F. Caruso.	0.30	
01/20/2016	MEF	Create summary of the Q4 2015 U.S. Trustee's fees; e-mail D. Deloria regarding same.	0.20	
	MEF	E-mail F. Caruso regarding the December monthly operating report.	0.10	
01/21/2016	FCC	Review and approve the December monthly operating report.	0.20	
02/22/2016	MEF	Review escrow activity, finalize the draft January monthly operating report and e-mail F. Caruso regarding same.	0.50	
02/23/2016	FCC	Review and comment on the draft January report.	0.20	
	MEF	Revise the draft monthly operating reports for January; e-mail to R. Keach with questions.	0.20	
	MEF	Make additional revisions to the January monthly operating reports; e-mail to R. Keach.	0.20	
03/14/2016	MEF	Create February monthly operating report, exchange e-mails with F. Caruso regarding same, and e-mail the finalized monthly operating report to B. Keach.	0.50	
	MEF	E-mail K. Quirk regarding the latest escrow account detail, review the latest escrow activity and update the February monthly operating report accordingly.	0.30	
04/12/2016	MEF	E-mail K. Quirk regarding the escrow account, review updated escrow statement and update the March monthly operating report accordingly.	0.40	
	MEF	Create March monthly operating report.	0.50	
	MEF	E-mail March monthly operating report to F. Caruso; e-mail finalized March monthly operating report to B. Keach.	0.10	
	MEF	Review January, February and March monthly operating reports, calculate U.S. Trustee's fees for the first quarter of 2016 and write check request for the fees.	0.20	
05/16/2016	MEF	Create draft of the monthly operating report for April.	0.50	
05/17/2016	MEF	Finalize draft of the monthly operating report for April, e-mail to F. Caruso and B. Keach.	0.30	
	FCC	Review and approve draft April monthly operating report for finalizing.	0.10	
05/23/2016	MEF	Revise the April monthly operating report; e-mail the revised monthly operating report to B. Keach.	0.20	
		Monthly Bkctcy/Semi-Annual Rpts	5.70	1,838.00
01/04/2016	FCC	Telephone call with Lindsay Zahradka regarding claims reconciliation issues.	0.20	
01/08/2016	FCC	At the request of counsel, research pre-petition and post-petition invoice, and payment activity for the		

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			HOURS
		proof of claim filed by Center Beam.	0.80
01/25/2016	FCC	Review information received from Gaynor Ryan regarding IRS Form 2013 CT-1 for 2013 and e-mail to John Fessenden regarding Form CT-1 for 2014.	0.40
02/05/2016	MEF	Review the MNR claim against Schedule F and MMA's and MMC's accounts payable; reconcile variances in claim amounts.	0.80
	MEF	E-mail the NBSR and MNR claims reconciliations to F. Caruso.	0.10
02/08/2016	FCC	Review the proofs of claim submitted by the MNR and NBSR Railroads pursuant to recent court decision allowing their administrative claim, prepare a schedule of MMA's offset claim for unpaid accounts receivable and e-mail same to counsel.	1.20
02/09/2016	MEF	Download additional backup to the MNR and NBSR claims; e-mail L. Zahradka regarding same.	0.20
02/10/2016	FCC	E-mail exchanges with Lindsay Zahradka regarding claim reconciliation issues for Bangor Savings Bank.	0.20
02/19/2016	FCC	Research request from Lindsay Zahradka regarding claim of FCM and e-mail Lindsay regarding same.	0.30
02/22/2016	FCC	Research and respond to counsel inquiries regarding proof of claim for Aetna.	0.20
	FCC	Telephone call with Lindsay Zahradka regarding status of claims objections.	0.20
	MEF	Review the Canadian National claim and claims analysis; e-mail F. Caruso regarding pre-petition of Canadian National's accounts payable.	0.20
02/23/2016	FCC	Research and respond to Lindsay Zahradka's inquiries regarding a claim objection (.2) and telephone call with Lindsay regarding same (.2).	0.40
02/29/2016	FCC	At request of counsel, research Fred's Plumbing proof of claim and follow-up e-mail and telephone call with Lindsay Zahradka regarding same.	0.30
04/01/2016	FCC	Telephone call with Bob Keach and Tim McKeon regarding general update and potential testimony for the 506(c) claim against Wheeling.	0.20
04/04/2016	MEF	Review claims register; update claims analysis for additional 90 claims filed since last version.	1.80
04/06/2016	FCC	Review the draft expert opinion summary regarding 506(c) claim against Wheeling (.2) and telephone call with Tim McKeon regarding same (.2).	0.40
04/22/2016	FCC	Review historical files involving the line of credit with Wheeling, including time sheets and collateral reports in preparation for deposition regarding the trustee's 506(c) claim.	0.70
04/26/2016	FCC	Continue preparation for my deposition for the 506(c) claim regarding Wheeling's credit line (.8) and telephone call with Tim McKeon regarding same	

Montreal, Maine & Atlantic Corporation

			HOURS	
		(.5).	1.30	
05/18/2016	FCC	Telephone call with Lindsay Zahradka regarding determination of Bangor Savings Bank's guarantee claim.	0.30	
05/20/2016	FCC	Telephone call with Lindsay Zahradka and representatives from Bangor Savings Bank regarding calculation of their allowed claim.	0.30	
05/23/2016	FCC	Telephone call with Jarred Moore at IRS and fax him the 2014 and 2015 CT-1s.	0.10	
05/31/2016	FCC	Telephone call with Tim McKeon regarding scheduling my deposition for the Wheeling deposition and respond to his question on inventory valuation.	0.10	
		Claims Analysis/Objections	10.70	5,915.00
01/08/2016	FCC	Telephone call with Jerry Brown regarding status of environmental testing and real estate tax reduction for the Derby property (.3); follow-up telephone call with Harold Tynes at CMQ regarding same (.1).	0.40	
01/12/2016	FCC	Telephone call with Torrie Potter regarding retrieval of waybill reports from RMI.	0.20	
	FCC	Telephone call with Jean at Noyes regarding cost to pull and deliver boxes; e-mail to Lindsay Zahradka regarding same.	0.20	
01/15/2016	FCC	Prepare for conference call with Bob Keach (.2) and telephone call with Bob regarding accounting for 2015 financials, including recording of insurance settlements, preference settlements, and timing of remaining open litigation issues (.8).	1.00	
01/28/2016	FCC	Telephone call with Bob Keach regarding the 4th quarter monthly operating reports and e-mail received from Ed Burkhardt.	0.10	
01/29/2016	MEF	Review payment data and invoice backup for payments made to professionals; create summary of 1099s that need to be prepared.	0.30	
	MEF	Review payments made to L. Lipkvich for record retention work; break out expense reimbursements to tally services paid during 2015 for 1099 preparation.	0.20	
	MEF	E-mail F. Caruso regarding 1099s.	0.10	
	MEF	Send e-mails to L. Lipkvich, R. Clement of Verrill Dana and A. Adler of Prime Clerk requesting tax identification numbers in order to prepare 1099s.	0.20	
02/01/2016	MEF	Conversation with L. Lipkvich regarding the 1099; conversation with D. Deloria regarding same.	0.20	
02/08/2016	FCC	Telephone call with Jerry Brown regarding Town of Milo's decision to move forward for the acquisition of Derby and process for same.	0.30	
03/14/2016	FCC	Telephone call with Lindsay Zahradka regarding information request from the DEP (.1) and follow-up telephone call with Tom Tardif regarding same (.1).	0.20	
	FCC	Telephone call with Jerry Brown regarding status of		

Montreal, Maine & Atlantic Corporation

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06/20/2016

			HOURS		
		purchase offer for Derby and real estate tax invoice.	0.20		
03/15/2016	FCC	Research and respond to information request by Lindsay Zahradka regarding a Derby access issue.	0.10		
05/04/2016	FCC	Review and approve tax allocation workpaper received from Tom Tardif and forward same to the trustee.	0.40		
05/05/2016	FCC	Review option agreement for the sale of the Derby property to the Town of Milo, telephone call with Robin Larson at Milo regarding same and e-mail to the trustee for his review; follow-up telephone call with Robin regarding timetable for the Town's approval to complete the purchase.	0.90		
05/10/2016	FCC	Telephone call with Brian Files regarding requested access to the Derby property by the power company.	0.10		
	FCC	Respond to e-mails from Tom Tardif and Harold Tynes regarding status of real estate tax rebate and payment of same.	0.20		
05/17/2016	FCC	E-mail exchange with Bob Keach regarding expiration of D&O policy and status of Derby asset purchase agreement.	0.10		
		Wind Down Operations	5.40	3,194.00	
		FOR THE FOREGOING PROFESSIONAL SERVICES RENDERED:	29.40	14,594.00	

RECAPITULATION

<u>CONSULTANT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
F. C. Caruso	16.40	\$660.00	\$10,824.00
M. E. Farnsworth	13.00	290.00	3,770.00

Delivery Charges	50.87
Photocopy Charges	66.60
Postage	27.51
Long Distance Telephone	161.12
Pacer Charges	20.80
TOTAL DISBURSEMENTS: THRU 05/31/2016	326.90
TOTAL CURRENT WORK	14,920.90
BALANCE DUE	<u>\$14,920.90</u>



Development Specialists, Inc. – Professional Biographies

Fred Caruso

Fred Caruso has over thirty years of insolvency, restructuring and operational experience and currently is the Chief Operating Officer of DSI. His experience is concentrated on the “debtor side,” typically serving either as the Financial Advisor, Chief Restructuring Officer, Chief Operating Officer, Chief Financial Officer, or as a Chapter 11 Trustee. He has also provided expert testimony on accounting, forensic and valuation topics.

Notable assignments include:

- Chapter 11 Trustee for Qualteq, Inc., and its sixteen affiliated debtors, which resulted in a 363 sale that paid creditors in full with a distribution to equity.
- CRO and COO for Giordano’s Enterprises, Inc.; in conjunction with its Chapter 11 Trustee, managed a successful 363 sale process, paid secured creditors in full, and made a significant distribution to creditors.
- Financial Advisor for the real estate trust for the Gas City, Ltd. properties; in conjunction with the CRO for Gas City, managed a successful 363 sale process which was awarded the TMA Consumer and Retail Products Turnaround Award.
- Financial Advisor for Mid-American Agri Products, a 40 million gallon ethanol facility; managed a successful sale process.
- Financial Advisor for Bill Heard Enterprises, which operated 14 urban big-box Chevrolet locations with sales in excess of \$2 billion; managed a successful 363 sale process less than 60 days after the Lehman collapse brought the automotive industry to a standstill.
- President and Debtor in Possession for Ritchie Risk-Linked Strategies Trading, Ltd.; managed a successful 363 sale process for 1,100 life insurance policies with a insured value of \$2.8 billion.
- Financial Advisor for a \$3 billion hedge fund to manage negotiations with “gated” investors and monetize illiquid investments.
- Financial advisor and expert witness to the fee examiner for Collins & Aikman Corporation.
- Financial Advisor for Oasis Corporation; completed a going concern “article 9” sale.
- Financial Advisor for Outboard Marine Corporation; coordinated the shutdown and sale of its 10 engine and boat manufacturing locations.
- CRO for BREED Technologies, Inc.; confirmed a standalone Chapter 11 plan.

- President and Debtor in Possession for Commercial Financial Services, Inc., the country's largest acquirer of charged-off credit card debt; negotiated a consensual liquidating plan between asset-backed security holders and general unsecured creditors.
- COO for Mercury Finance Company; confirmed a standalone Chapter 11 plan.
- Restaurant Management Services, Inc., a 120-unit fast food restaurant chain; completed an out-of-court restructuring.
- CFO for Tune-Up Masters, Inc., a 250-store automotive repair chain; confirmed a standalone Chapter 11 plan.
- CFO for Shape, Inc., a manufacturer of extruder plastic components; confirmed a standalone Chapter 11 plan.

Mr. Caruso began his career in public accounting in the audit division of a Big Eight accounting firm (now Deloitte & Touche). For approximately two years, he served as President for Hilco Appraisal Services, LLP, the country's largest provider of inventory and machinery valuations. He is a Certified Public Accountant, a Certified Insolvency and Reorganization Accountant, and is a member of the AICPA, Illinois CPA Society, the Association of Insolvency Accountants, and the American Bankruptcy Institute.

He is a graduate of the University of Wisconsin-Madison with Bachelor's degrees in accounting and finance.

Matt Farnsworth

Matt Farnsworth joined the professional staff of DSI in June 2001. Since joining DSI, Mr. Farnsworth has been directly involved in organizing the orderly wind down and sale of businesses, maximizing the value of estate assets, analyzing and negotiating creditor claims and corresponding with creditors. He has provided support, in the areas of both operations and finance, to ongoing DSI engagements including Chapter 11 reorganizations, Chapter 7 liquidations and Assignments for the Benefit of Creditors.

Mr. Farnsworth rejoined DSI in 2009 after a two-year hiatus during which he earned his Master of Business Administration. Mr. Farnsworth's areas of expertise include operational and human resource management, financial analysis, budgeting and schedules, cash management, preferential and fraudulent transfer analysis, tangible asset valuation, and due diligence.

Notable assignments include:

- Financial Advisor – Qualteq, Inc., Chapter 11 Bankruptcy
- Financial Advisor – Gryphon Investors, Due Diligence
- Financial Advisor – HUSA Liquidating Corporation (f/k/a HearUSA, Inc.), Chapter 11 Bankruptcy

- Financial Advisor – Namco Capital Group, Inc., Chapter 11 Bankruptcy
- Financial Advisor – Hayes Lemmerz International, Chapter 11 Bankruptcy
- Financial Advisor – Jillian’s Entertainment Holdings, Inc., Chapter 11 Bankruptcy
- Financial Advisor – Edgewater Medical Center, Chapter 11 Bankruptcy
- Liquidating Trust – Vineyard National Bancorp, Post-Confirmation Litigation
- Liquidating Trust – Horizon Natural Resources, Post-Confirmation Litigation
- Sale Agent – Green Garden Country Club

Mr. Farnsworth is a winner of *The 6th Annual Turnaround Award* by the M&A Advisor for Middle Market Chapter 11 Reorganization of the Year for his work in HUSA Liquidating Corporation. He is also a member of the Turnaround Management Association and the American Bankruptcy Institute.

Mr. Farnsworth received a Master of Business Administration from Indiana University’s Kelley School of Business with concentrations in Finance and Accounting. He also holds a Bachelor of Arts degree from Lake Forest College.

**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 FOR DEVELOPMENT SPECIALISTS, INC., AS FINANCIAL ADVISOR FOR THE ESTATE REPRESENTATIVE, ROBERT J. KEACH, FOR THE PERIOD FROM DECEMBER 23, 2015 THROUGH MAY 31, 2016

This matter having come before the Court on the *First Interim Application for Compensation and Reimbursement of Expenses for Development Specialists, Inc., as Financial Advisor for the Estate Representative, Robert J. Keach, for the Period from December 23, 2015 Through May 31, 2016* (the “Fee Application”),¹ 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, Development Specialists, Inc. (“DSI”) is allowed compensation for services to the Estate Representative in the aggregate amount of **\$14,920.90**, which includes **\$14,594.00** for payment of professional fees and **\$326.90** in expenses.
3. The fees and expenses requested in the Fee Application 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.

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

Dated: _____, 2016

The Honorable Peter G. Cary
Chief Judge, United States Bankruptcy Court
District of Maine

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670

Chapter 11

NOTICE OF HEARING

Development Specialists, Inc. (“DSI”), the financial advisor to Robert J. Keach, the Estate Representative (the “Estate Representative”) of the bankruptcy estate of Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”), has filed the *First Interim Application for Compensation and Reimbursement of Expenses for Development Specialists, Inc., as Financial Advisor for the Trustee, Robert J. Keach, for the Period from December 23, 2015 Through and Including May 31, 2016* (the “Application”). A hearing on the Application is set to take place at the United States Bankruptcy Court, 537 Congress Street, Portland, Maine on **August 30, 2016 at 9:00 a.m.** (the “Hearing”).

By the Application, DSI seeks a total amount of **\$14,920.90**, which includes **\$14,594.00** for payment of professional fees and **\$326.90** for reimbursement of expenses incurred during the period from December 23, 2015 Through and Including May 31, 2016 (the “Compensation Period”). DSI seeks an order authorizing and approving this compensation for fees and expenses incurred during the Compensation Period on an interim basis.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

If you do not want the court to approve the Application, or if you want the court to consider your views on the Application, then **on or before August 23, 2016**, you or your attorney must file with the court a written response explaining your position. If you are not able to access the CM/ECF Filing System, your response should be served upon the Court at:

Alec Leddy, Clerk
United States Bankruptcy Court
202 Harlow Street
Bangor, Maine 04401

-and-

Sam Anderson, Esq.
Bernstein, Shur, Sawyer & Nelson, P.A.
100 Middle St., PO Box 9729
Portland, Maine 04104-5029

If you have to mail your response to the Court for filing, you must mail it early enough so that the Court will receive it on or before the date stated above.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Application and may enter an order granting that relief.

Dated: August 1, 2016

**ROBERT J. KEACH, ESTATE REPRESENTATIVE
OF POST-EFFECTIVE DATE ESTATE OF
MONTREAL MAINE & ATLANTIC RAILWAY,
LTD.**

By his attorneys:

/s Sam Anderson
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