

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE

	)	
In re	)	Chapter 11
	)	Case No. 13-10670
MONTREAL MAINE & ATLANTIC	)	
RAILWAY, LTD.	)	
	)	
Debtor.	)	

**LIMITED OBJECTION OF THE UNITED STATES TRUSTEE  
TO DEBTOR’S MOTION FOR AUTHORIZATION  
TO USE PRE-PETITION BANK ACCOUNTS AND BUSINESS FORMS**

The United States Trustee, by and through his undersigned counsel, hereby objects, on a limited basis, to the Debtor’s Motion for Authorization to Use Pre-Petition Bank Accounts and Business Forms. In support of this Limited Objection, the United States Trustee states as follows:

1. In the September 3, 2013 Supplemental Response of Chapter 11 Trustee to Cash Management Motion filed by the Debtor, Montreal Maine & Atlantic Railway, Ltd. (the “Response”), the chapter 11 trustee, Robert Keach (the “Trustee”), indicates that he intends to maintain the so-called “Canadian Accounts” (as defined in the Response). Response at ¶ 7.

2. According to the Trustee, “Canadian counsel has advised the Trustee that the Canadian Accounts are insured pursuant to Section 12 of the Canada Deposit Insurance Corporation Act (R.S.C., 1985, c. C-3) for up to \$100,000 per account.” *Id.*

3. Section 345(b) of the United States Bankruptcy Code (“Code”) requires that monies of an estate be deposited in an account insured or guaranteed by the United States, by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States unless a bond is posted or the account is collateralized. In other words, according to section 345(b) of the Code, a trustee must maintain accounts with an institution that is insured by the Federal Deposit Insurance Company (the “FDIC”), or the accounts must be collateralized or bonded.

4. The purpose of this section “is to make sure that the funds of a bankrupt that are obligated to creditors are invested prudently and safely with the eventual goal of being able to satisfy all claims against the bankrupt estate.” H.R. Rep. No. 103-384, 103<sup>rd</sup> Cong., 2<sup>nd</sup> Sess 24 (Oct. 4, 1994).

5. Accounts insured by the FDIC are covered up to \$250,000 per account. *See* <http://www.fdic.gov/deposit/deposits/dis/>

6. Here, the Trustee seeks to maintain the Canadian Accounts, which are only insured up to \$100,000.00.

7. Since the Canadian Accounts are not properly insured as required by the Code, the United States Trustee objects to Motion on the limited basis that the Trustee seeks to maintain the Canadian Accounts.

8. The United States Trustee requests that a bond be posted in the amount of \$150,000 to ensure that the Canadian Accounts are protected to the same level as accounts insured by the FDIC.

WHEREFORE, the United States Trustee respectfully request that the Court deny the Trustee's request to maintain the Canadian Accounts without being required to secure a bond in the amount of \$150,000, and for such other and further relief as the Court deems just and proper.

Dated at Portland, Maine this 3rd day of September, 2013.

Respectfully submitted,

William K. Harrington  
United States Trustee

By: /s/ Jennifer H. Pincus  
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**CERTIFICATE OF SERVICE**

I, Jennifer H. Pincus, being over the age of eighteen and an employee of the United States Department of Justice, U.S. Trustee Program, hereby certify that on September 3, 2013, I electronically filed the above *Limited Objection of the United States Trustee to Debtor's Motion for Authorization to Use Pre-Petition Bank Accounts and Business Forms* and this *Certificate of Service*, which were served upon each of the parties set forth on this Service List via U.S. mail, postage prepaid, on September 3, 2013.

All other parties listed on the Notice of Electronic Filing have been served electronically.

Dated at Portland, Maine this 3rd day of September, 2013.

/s/ Jennifer H. Pincus

**Service List:**

N/A