

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE

In re:	)	
	)	
MONTREAL MAINE & ATLANTIC	)	Bk. No. 13-0670
RAILWAY, LTD.	)	Chapter 11
	)	
Debtor	)	

**GREAT NORTHERN PAPER’S OBJECTION TO  
TRUSTEE’S MOTION FOR EXPEDITED HEARING, SHORTENED  
OBJECTION PERIOD AND LIMITED NOTICE AND TO  
TRUSTEE’S MOTION FOR ORDER PURSUANT TO 11 U.S.C. § 542(b)**

Pursuant to Local Rule 9013(i)(3), GNP Maine Holdings, LLC, d/b/a Great Northern Paper Company, LLC (“GNP”) hereby objects to the Motion for Expedited Hearing, Shortened Objection Period and Limited Notice (Doc. No. 125, the “Motion for Expedited Hearing”) and objects in part to the Motion for Order Pursuant to 11 U.S.C. § 542(b) (the “Turnover Motion”) filed by Robert Keach, Chapter 11 trustee in the above-captioned case (the “Trustee”).

GNP requests that the Court deny the Turnover Motion insofar as it seeks an order compelling GNP to pay any amount to the Trustee or Maine Montreal & Atlantic Railway, Ltd. (the “Debtor”). GNP requests that the Court deny the Motion for Expedited Hearing for the reasons set forth in the Objection of Irving Paper Limited, Irving Pulp & Paper, Limited and J.D. Irving (Doc. No. 149, the “Irving Objection”) and for the reasons set forth below. The grounds for this request are as follows:

1. GNP adopts by reference the arguments set forth in the Irving Objection, including that the relief sought by the Trustee is appropriately the subject of an adversary proceeding. Fed. R. Bankr. P. 7001(1).
2. GNP asks that this Court deny the pending Turnover Motion because “turnover [under 542(b)] is not a proper cause of action when there is a bona fide dispute of the claim.” *In re VeraSun Energy Corp.*, 2013 WL 3336870 \*4 (Bankr. D. Del. June 28, 2013). A general denial “disputing the account receivable and asserting entitlement to setoff and recoupment is sufficient to render the debt disputed.” *In re DHP Holdings II Corp.*, 435 B.R. 264, 271 (Bankr. D. Del. 2010).
3. The relationship between GNP and the Debtor has been long and fraught with disputes. GNP disputes the Trustee’s accounting of alleged debts owed to the Debtor. GNP believes that it has significant set-off claims that may be in excess of any legitimate claims of the Debtor.
4. Accordingly, the Turnover Motion should be denied both A) because GNP has asserted setoffs that may exceed the value of the alleged debt and B) because the alleged debt does not fall within the scope of Section 542(b).<sup>1</sup> The Motion for Expedited Hearing should be denied for the reasons set forth in the Irving Objection and above.

WHEREFORE, GNP respectfully requests that this Court deny the Motion for Expedited Hearing and deny the Turnover Motion insofar as it requests an order against GNP.

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<sup>1</sup> In addition, GNP does not concede the Trustee’s claim, *Turnover Motion* at 1, that this is a “core” matter. *In re DHP Holdings II Corp.*, 435 B.R. 264, 271 (Bankr. D. Del. 2010) (“Most courts require that the debt be undisputed for the action to be core”) (citing cases).

Dated: September 3, 2013

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**CERTIFICATE OF SERVICE**

I, Kelly McDonald, Esq., hereby certify that, on September 3, 2013, I filed Great Northern Paper's Objection To Trustee's Motion For Expedited Hearing, Shortened Objection Period And Limited Notice And To Trustee's Motion For Order Pursuant To 11 U.S.C. § 542(B) via the Court's CM/ECF electronic filing system which will send notification of such filing and serve copies electronically to all counsel of record as reflected on that system. In addition, copies will be sent promptly by first class mail to those recipients listed on the following pages.

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