

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670
Chapter 11

**SECOND INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT
OF EXPENSES FOR BERNSTEIN, SHUR, SAWYER & NELSON, P.A., AS COUNSEL
TO THE TRUSTEE, ROBERT J. KEACH, FOR THE PERIOD FROM
MAY 1, 2014 THROUGH SEPTEMBER 30, 2014**

Name of Applicant: Bernstein, Shur, Sawyer & Nelson, P.A.

Authorized to Provide Professional Services as: Counsel to Robert J. Keach, the duly
appointed Chapter 11 Trustee of the
bankruptcy estate of the Debtor

Petition Date: August 7, 2013

Date of Retention: August 28, 2013 nunc pro tunc to
August 21, 2013

Period for Which Compensation and Reimbursement is Sought: May 1, 2014 through and including
September 30, 2014

Total Amount of Compensation sought as actual, reasonable and necessary: \$282,287.50

Total Amount of Expenses sought as actual, reasonable and necessary: \$4,260.58

Total Fees and Expenses Requested: \$286,548.08

This is an Interim Application.

Prior Fee Applications:

		Requested		Approved/Received	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
5/12/14	August 21, 2013 – April 30, 2014	\$1,019,528.40	\$28,169.42	\$1,019,528.40	\$28,169.42

COMPENSATION BY PROFESSIONAL

	DEPARTMENT AND YEAR ADMITTED *	HOURLY BILLING RATE	TOTAL BILLED HOURS	TOTAL COMPENSATION
SHAREHOLDER				
Sam Anderson/DSA	BRI - 2000	\$365.00	159.4	\$58,181.00
Michael Fagone/MAF	BRI - 1997	\$385.00	131.0	\$50,435.00
Katherine Joyce/KAJ	ENR - 2003	\$250.00	3.7	\$925.00
Paul McDonald/PM	LPG - 1987	\$370.00	23.8	\$8,806.00
Ronald W. Schneider/RWS	LEPG - 1996	\$270.00	3.2	\$864.00
Jaimie Paul Schwartz/JPS	REPG - 1991	\$305.00	0.5	\$152.50
Nathan H. Smith/NHS	REPG - 1982	\$310.00	24.2	\$7,502.00
ASSOCIATE				
Bodie Colwell/BBC	BRI - 2011	\$175.00	3.2	\$560.00
		\$185.00	18.2	\$3,367.00
		\$195.00	35.6	\$6,942.00
Roma Desai/RND	BRI - 2009	\$180.00	2.3	\$414.00
		\$190.00	20.1	\$3,819.00
		\$200.00	18.9	\$3,780.00

* BLPG – Business Law Practice Group; BRI – Business Restructuring and Insolvency; ENR – Energy & Environmental Practice Group; LEPG – Labor and Employment Practice Group; LPG – Litigation and Dispute Resolution; REPG – Real Estate Practice Group. A brief biography of each professional who has rendered services in connection with the fees and expenses herein is set forth on **Exhibit B**.

	DEPARTMENT AND YEAR ADMITTED*	HOURLY BILLING RATE	TOTAL BILLED HOURS	TOTAL COMPENSATION
Kate Hambley/KH2	†	\$155.00	7.7	\$1,193.50
Will Hueske/WAH	BRI - 2010	\$185.00	184.2	\$34,077.00
		\$200.00	52.8	\$10,560.00
Timothy McKeon/TJM	BRI - 2012	\$180.00	255.1	\$45,918.00
		\$195.00	40.5	\$7,897.50
Maire Corcoran Ragozzine/MBC	BRI - 2009	\$200.00	3.9	\$780.00
Michael Siedband/MAS	BRI - 2009	\$195.00	33.4	\$6,513.00
Ari Solotoff/ABS	†	\$155.00	8.5	\$1,317.50
PARALEGAL				
Giselle Paquette	BLPG	\$165.00	2.7	\$445.50
Kathryn Pariseau	REPG	\$160.00	1.0	\$160.00
Karen L. Pelletier	REPG	\$240.00	1.0	\$240.00
Karla Quirk	BRI	\$150.00	74.3	\$11,145.00
Angela Stewart	BRI	\$150.00	30.5	\$4,575.00
		\$180.00	65.1	\$11,718.00
TOTAL			1,204.8	\$282,287.50

Blended hourly rate (excluding paralegal time): \$246.56

Blended hourly rate for paraprofessionals only: \$161.99

† Kate Hambley and Ari Solotoff served as summer law clerks at BSSN and are not yet admitted to practice.

COMPENSATION BY PROJECT CATEGORY

PROJECT CODE	PROJECT DESCRIPTION	HOURS	AMOUNT
1	Asset Analysis and Recovery	42.5	\$8,455.50
2	Asset Disposition	320.6	\$80,665.00
3	Business Operations	5.8	\$1,503.50
4	Case Administration	167.2	\$44,604.00
5	Claims Administration and Objections	68.8	\$13,789.00
6	Employee Benefits/Pensions	13.1	\$4,001.50
7	Fee/Employment Applications	116.6	\$21,887.00
8	Fee/Employment Objections	0.1	\$36.50
9	Financing	0.5	\$172.00
10	Litigation	327.9	\$75,842.00
12	Plan and Disclosure Statement	92.0	\$18,647.00
13	Relief from Stay Proceedings	29.0	\$5,932.00
14	Other	17.4	\$6,029.00
15	Accounting/Auditing	1.9	\$342.00
21	Tax Issues	1.4	\$381.50
TOTAL		1,204.8	\$282,287.50

EXPENSE SUMMARY

EXPENSE CATEGORY	AMOUNT
Filing Fee	\$929.00
Transcript	\$238.50
Certified Copies	\$522.00
Messenger Expenses/Federal Express	\$1,569.66
Deposition/Court Reporting	\$370.10
Miscellaneous	\$450.00
Travel Expenses	\$181.32
Total Charges & Disbursements	\$4,260.58

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TO THE TRUSTEE, ROBERT J. KEACH, FOR THE PERIOD FROM
MAY 1, 2014 THROUGH SEPTEMBER 30, 2014**

Bernstein, Shur, Sawyer & Nelson, P.A. ("BSSN"), counsel to Robert J. Keach, the duly appointed chapter 11 trustee (the "Trustee") in the above-captioned chapter 11 case of Montreal Maine & Atlantic Railway, Ltd. (the "Debtor"), submits this second interim application (the "Fee Application") for compensation for professional services and reimbursement of expenses for the period from May 1, 2014 through September 30, 2014 (the "Compensation Period"). In support of the Fee Application, BSSN 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, Federal Rule of Bankruptcy Procedure 2016(a), and Rule 2016-1 of the local rules of this Court (the "Local Rules").

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 the Trustee to serve in the Debtor’s chapter 11 case (the “Case”) pursuant to 11 U.S.C. § 1163.

3. On August 21, 2013, the Trustee filed his Application for Order, Pursuant to Sections 327 and 328 of the Bankruptcy Code, Authorizing the Employment of Bernstein, Shur, Sawyer & Nelson, P.A., as Attorneys for the Trustee [Docket No. 74] (the “Retention Application”). Thereafter, on August 28, 2013, the Court entered an order authorizing the employment of BSSN as counsel to the Trustee pursuant to sections 327 and 328 of the Bankruptcy Code [Docket No. 107] (the “Retention Order”).

4. As set forth in the Retention Order, BSSN is authorized to, inter alia, “[advise] the Trustee with respect to his powers and duties in the Trustee’s continued management and operation of the Debtor’s business and property,” “[take] all necessary action to protect and preserve the Debtor’s estate,” and “[perform] all other necessary legal services and providing all other necessary legal advice to the Trustee in connection with the Case.” See Retention Order, at 2–3. The Retention Order further provides that BSSN 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, at 1; see also Retention Application, ¶¶ 13–14.

5. On May 12, 2014, BSSN filed the First Interim Application for Compensation and Reimbursement of Expenses for Bernstein, Shur, Sawyer & Nelson, P.A., as Counsel to the Trustee, Robert J. Keach, for the Period from August 21, 2013 Through April 30, 2014 [Docket

No. 870] (the “First Interim Fee Application”). The First Interim Fee Application sought allowance of compensation for professional services in the amount of \$1,019,528.40 and reimbursement of expenses incurred in connection with rendering such services in the amount of \$28,169.42. By order of this Court entered on June 11, 2014 [Docket No. 962], the Court awarded BSSN \$1,019,528.40 in fees and \$28,169.42 in expenses in relation to the First Interim Fee Application. As of the date of this Application, all fees and expenses requested in the First Interim Fee Application have been paid.

6. Since entry of the Retention Order, and throughout the Compensation Period, BSSN has worked with the Trustee to meet the challenges presented by this Case in a manner beneficial to the Debtor 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

7. BSSN seeks allowance of compensation for professional services in the amount of \$282,287.50 and reimbursement of expenses incurred in rendering such services in the amount of \$4,260.58. 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 BSSN to the Trustee (the “Billing Statement”) is set forth on **Exhibit A**, annexed hereto and incorporated herein by reference. BSSN has carefully reviewed the Billing Statement on a line-by-line basis to ensure that services have been billed under the correct fee category.¹

¹ BSSN implemented twenty-two (22) task codes for specific categories of work to permit a more detailed analysis of the fees incurred. Given the multitude of attorneys and professionals involved and the number of task codes, inconsistencies are inevitable despite BSSN’s best efforts to ensure that work on a specific topic is billed to a single task code.

8. 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 and paraprofessional at BSSN during the Compensation Period and associated expenses incurred is contained in the tables located at the beginning of this Fee Application.

9. Other than an agreement between BSSN and the Trustee for the sharing of compensation with the Trustee as a shareholder of BSSN, no agreement or understanding exists between BSSN and any other entity for the sharing of compensation sought by this Fee Application. In addition, no payments have been made or promised to BSSN for services rendered or to be rendered in connection with the Case, except as set forth in the Retention Application and detailed in this Fee Application.

10. BSSN has substantial expertise in such areas as business restructuring and bankruptcy, energy and environmental law, and litigation and dispute resolution. Pursuant to Local Rule 2016-1(a)(3)(v), a brief biography of each BSSN professional and paraprofessional who has rendered services in connection with the fees and expenses herein is set forth on **Exhibit B**, annexed hereto and incorporated herein by reference.

11. This Fee Application is BSSN's second application to this Court in this Case 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 Rule 2016-1 of the Local Rules. As required by paragraph (b)(v) of the UST Guidelines, the Trustee has been given the opportunity to review this Fee Application and has approved the requested amount.

SUMMARY OF SERVICES

12. BSSN serves as legal counsel to the Trustee with respect to all bankruptcy matters that arise in or relate to this bankruptcy action. In rendering professional services to the Trustee, BSSN's legal team includes professionals with extensive experience in bankruptcy, real estate, and litigation practices, among others. BSSN professionals have worked closely with the Trustee and his other professionals to coordinate assignments in order to maximize efficiency and avoid any duplication of effort.

13. All of the services for which BSSN requests compensation herein were rendered on behalf of the Trustee in connection with this Case, and all the time described on the attached exhibits represents the actual amount of time spent by BSSN professionals who rendered the described services.

14. BSSN 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. Accordingly, this Application is intended to serve as a summary description of the more significant services rendered by BSSN, and to highlight the benefits which have been conferred upon the creditors of the Debtor's estate as a result of BSSN's efforts. The following section provides an overview of certain of the significant services rendered by BSSN during the Compensation Period.

45G Tax Credits

15. As discussed more fully in the First Interim Fee Application, the Trustee, with the assistance of BSSN, sought authority to assign the right to claim certain tax credits created by 26 U.S.C. § 45G (the "45G Tax Credits") for a portion of 2013. Wheeling & Lake Erie Railway Company ("Wheeling") objected to certain distributions relating to the proceeds of the

assignment and the Court entered an order determining that Wheeling was entitled to 69.74% of the 45G Tax Credit proceeds [Docket No. 761] (the “45G Order”). On May 16, 2014, the Trustee filed the Notice of Appeal with respect to the 45G decision [Docket No. 884]. Following negotiations with Wheeling on this and other issues, the matter, and the appeal, was resolved.

Auction and Sale of Debtor’s Assets

16. Among the most critical and urgent tasks that the Trustee and BSSN, with assistance from other professionals, accomplished during the Compensation Period was the closing of a sale of substantially all of the Debtor’s assets in conjunction with a sale of substantially all of the assets of Montreal Maine & Atlantic Canada Co. (“MMA Canada”) (the “Sale”). BSSN and the Trustee, with MMA Canada and the Monitor, began discussions and negotiations with potential purchasers early in the Case, eventually leading to the selection of Railroad Acquisition Holdings LLC (“RAH”) as a stalking horse bidder in an auction for the Sale assets. BSSN was actively involved in the identification and evaluation of potential purchasers, coordination with other professionals including Gordian Group LLC and Development Specialists Inc., the establishment of the auction and bidding procedures, the coordination of the approval of similar procedures in the concurrent proceeding under Canada’s Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “Canadian Case”), the execution of the auction, the drafting of the asset purchase agreement and other Sale documents, the approval of the sale in this Case and the Canadian Case, and ongoing work towards an expeditious closing of the Sale.

17. On December 12, 2013, the Trustee, with assistance from BSSN, filed a motion to establish bidding procedures and an auction to select the successful bidder for the purchase of the Debtor’s assets [Docket No. 488], as well as a sale motion and asset purchase agreement with

RAH as stalking horse bidder. The bidding procedures motion was approved on December 19, 2013 [Docket No. 535], along with a similar motion in the Canadian Case, and the auction was held on January 21, 2014, wherein the bid of RAH was declared the successful bid. The Court approved the sale to RAH on January 24, 2014 [Docket No. 594], which was also approved by the Canadian Court. The sale of the Debtor's and MMA Canada's assets closed on May 15, 2014 and the closing on the sale of MMA Canada's assets closed on June 30, 2014, which resulted in a \$14,250,000 payment to the Debtor and MMA Canada.

18. In May and June 2014, a substantial amount of time was devoted to execution of the closings for MMA and MMA Canada's assets. By taking steps to organize and execute the auction and negotiate the terms of the Sale, BSSN and the Trustee maximized the value of the Debtor's assets, and in turn, the value that will be distributed to creditors. Moreover, the Sale insured the continued operation of the railroad in accordance with the public interest. See 11 U.S.C. § 1165.

Trustee's Section 506(c) Surcharge Motion

19. On May 7, 2014, with the assistance of BSSN, the Trustee filed the Motion for an Order Pursuant to 11 U.S.C. Sec. 506(c) Authorizing the Recovery of Expenses From Wheeling and Lake Erie Railway Co. or Its Collateral [Docket No. 854] seeking to surcharge Wheeling and its collateral for certain expenses directly related to the liquidation of Wheeling's collateral pursuant to 11 U.S.C. § 506(c) (the "506(c) Surcharge Motion").

20. On June 10, 2014, Wheeling filed the Objection of Wheeling and Lake Erie Railway Company to Trustees Motion for an Order Pursuant to 11 U.S.C. § 506(c) Authorizing Recovery of Expenses Filed by Wheeling & Lake Erie Railway Company [Docket No. 949],

arguing that the filing of the 506(c) Surcharge Motion was procedurally improper and that the Trustee was not entitled to relief as a matter of law. This matter is now stayed.

Red Shield Acquisition LLC Adversary Proceeding

21. On April 16, 2014, the Trustee filed a Complaint commencing adversary proceeding number 14-01006 against Red Shield Acquisition LLC for breach of a rail services agreement and failure to pay an outstanding debt owed to the Debtor [Docket No. 835]. BSSN professionals worked with Red Shield Acquisition LLC to reach a settlement relating to the Complaint. On June 10, 2014, the Court entered an order staying the adversary proceeding pursuant to a settlement between the parties, whereby Red Shield Acquisition LLC agreed to make monthly payments in satisfaction of its debt.

Wheeling Collateral Litigation; Wheeling Compromise

22. On January 30, 2014, Wheeling filed the Motion to Enforce Cash Collateral Orders [Docket No. 603] arguing that the Trustee failed to escrow and turn over to Wheeling the proceeds of collection of all accounts receivable generated by the Debtor prior to the closing of the first of two separate financings with Camden National Bank. On March 5, 2014, the Trustee filed the Trustee's Objection to Wheeling & Lake Erie Railroad Company's Motion to Enforce Cash Collateral Orders [Docket No. 707].

23. On July 10, 2014, the Trustee filed the Trustee's Application to Compromise a Controversy with Wheeling & Lake Erie Railway Company [Docket No. 1011], setting forth an agreement between the Trustee and Wheeling (the "Wheeling Compromise") in relation to various issues between the Trustee and Wheeling.

24. On July 25, 2014, the Court entered the Order Approving Chapter 11 Trustee's Motion for Order Approving Compromise and Settlement with Wheeling & Lake Erie Railway Company [Docket No. 1047].

Plan and Disclosure Statement

25. BSSN professionals, with the Trustee, are in the process of preparing the Debtor's plan of reorganization and disclosure statement, both of which the Trustee intends to file by mid-November. During the Application Period, BSSN professionals devoted time to research, as well as, drafting the disclosure statement of the Debtor.

Derailment Settlements

26. The Trustee, with the assistance of BSSN, is in the process of recovering funds for the benefit of creditors, including those creditors with claims arising out of the Lac-Mégantic derailment. The Trustee is working with counterparts in Canada to create a nine-figure settlement fund to be implemented in plans filed in this Case and the Canadian Case. As part of those efforts, during the Application Period, the Trustee and BSSN professionals devoted a substantial amount of time to meeting with parties in attempting to establish that settlement fund, including various defendants in pending litigation, counsel to victims, the Monitor in the Canadian Case, and other parties. These efforts continue.

Other Tasks

27. In addition to the narrative summary above, the following is an explanation and definition of the fifteen (15) principal task codes for which BSSN has rendered services and recorded time:²

² The examples given under each task code or project category are not all-inclusive; **Exhibit A** contains comprehensive details for each code and category.

a. Asset Analysis and Recovery

This project category includes services relating to the analysis of the Debtor's assets and BSSN's efforts at recovering and maximizing the value of the Debtor's assets for the benefit of its estate and creditors.

During the Compensation Period, services rendered by BSSN under this project category include:

- i. Drafting, reviewing and revising Motion for Order Pursuant to 11 U.S.C. § 506(c) Authorizing the Recovery of Expenses from Wheeling and Lake Erie Railway Co. or Its Collateral [Docket No. 854];
- ii. Communications relating to analysis of preference actions; and
- iii. Review and revision of settlement documents relating to the adversary proceeding against Red Shield Acquisition, LLC d/b/a Old Town Fuel & Fiber [Adv. Pro. No. 14-01006].

BSSN spent 42.5 hours on this project category resulting in \$8,455.50 in associated fees.

b. Asset Disposition

This project category includes services relating to BSSN's efforts concerning the sale and lease of certain property of the Debtor, and related transactional work. Among the most critical and urgent tasks performed by BSSN during the Compensation Period was the closing of the Sale to RAH.

During the Compensation Period, services rendered by BSSN under this project category include:

- i. Tasks related to the Sale to RAH, such as reviewing and revising amendments to the asset purchase agreement, drafting various motions and related materials in order to obtain approval of the amendments to the asset purchase agreement, and continued efforts to consummate the closing of the Sale;
- ii. Drafting an omnibus motion to reject certain contracts and leases; and
- iii. Reviewing and revising certain leases.

BSSN spent 320.6 hours on this project category resulting in \$80,665.00 in associated fees.

c. Business Operations

This project category includes services related to the Trustee's operation of the Debtor. Among the tasks performed by BSSN in this project category are communicating with officers of the Debtor in regard to issues concerning vendor issues and tasks relating to insurance.

BSSN spent 5.8 hours on this project category resulting in \$1,503.50 in associated fees.

d. Case Administration

This project category includes services related to time spent assisting in the efficient administration of this bankruptcy action. During the Compensation Period, services rendered by BSSN under this project category include:

- i. Internal discussions and conferences with the Trustee regarding case strategy;
- ii. Miscellaneous filings and organization of documents, including ECF filings, affidavits of service, and communication with the Court;
- iii. Preparing for and attending various hearings; and
- iv. Review of various documents, including court filings, insurance documents, contracts, licenses, and agreements.

BSSN spent 167.2 hours on this project category resulting in \$44,604.00 in associated fees.

e. Claims Administration and Objections

This project category includes services related to claim inquiries, the drafting of bar date materials, and the analysis of and objection to claims.

BSSN spent 68.8 hours on this project category resulting in \$13,789.00 in associated fees.

f. Employee Benefits/Pensions

This project category includes services related to certain employee severance agreements and other employee benefits.

BSSN spent 13.1 hours on this project category resulting in \$4,001.50 in associated fees.

g. Fee/Employment Applications

This project category includes services related to the preparation of fee and/or employment applications. During the Compensation Period, BSSN prepared and/or filed the fee applications of the Trustee [Docket No. 873], BSSN [Docket No. 870], Gordian Group, LLC [Docket No. 871], Development Specialists, Inc. [Docket No. 872], Baker Newman & Noyes, LLC [Docket No. 909], Covington & Burling LLP [Docket No. 910], and Kugler Kandestin, LLP [Docket No. 1016].

BSSN spent 116.6 hours on this project category resulting in \$21,887.00 in associated fees.

h. Fee/Employment Objections

This project category includes services related to the analysis of fee and/or employment applications of other professionals. During the Compensation Period, BSSN reviewed the fee application filed on behalf of Canadian counsel.

BSSN spent 0.1 hours on this project category resulting in \$36.50 in associated fees.

i. Financing

This project category includes services related to matters arising under §§ 363 and 364 of the Bankruptcy Code, including cash collateral, secured claims, and loan document analysis.

BSSN spent 0.5 hours on this project category resulting in \$172.00 in associated fees.

j. Litigation

This project category relates to time spent conducting legal research, drafting and filing various motions and pleadings, and the initiation of, as well as defense against, certain adversary proceedings, and time for related court appearances.

During the Compensation Period, services rendered by BSSN under this project category include:

- i. Research and preparation of the Trustee's motion to intervene in certain litigation pending in the United States District Court for the District of Maine;
- ii. Research and analysis relating to the appeal of the order to transfer of nineteen civil actions pending in the United States District Court for the Northern District of Illinois to the United

States District Court for the District of Maine, pursuant to 28 U.S.C. § 157(b)(5);

- iii. Research and analysis relating to appeal of the Trustee's assignment of the 45G Tax Credits;
- iv. Research and drafting of the Brief of Appellee in an appeal to the United States Bankruptcy Appellate Panel for the First Circuit [BAP No. EB 14-033];
- v. Negotiating and obtaining approval of a settlement agreement with Red Shield Acquisition LLC, d/b/a Old Town Fuel & Fiber [Docket No. 5] [Adv. Pro. 14-01006]; and
- vi. Preparing the Trustee's Objection to Wheeling & Lake Erie Railway Company's Motion to Intervene as of Right Pursuant to Bankruptcy Rule 7024 and Rule 24(a) of the Federal Rules of Civil Procedure and Incorporated Memorandum of Law [Docket No. 40] [Adv. Pro. 14-01001].

BSSN spent 327.9 hours on this project category resulting in \$75,842.00 in associated fees.

k. Plan and Disclosure Statement

This project category relates to time spent by BSSN on services related to drafting the Debtor's proposed plan and disclosure statement.

BSSN spent 92.0 hours on this project category resulting in \$18,647.00 in associated fees.

l. Relief from Stay Proceedings

This project category relates to time spent by BSSN negotiating, drafting and filing of a consented motion for seeking relief from the automatic stay in relation to Bangor Savings Bank and the related sale of 25 locomotives.

BSSN spent 29.0 hours on this project category resulting in \$5,932.00 in associated fees.

m. Other

This project category includes services related to the various efforts BSSN undertakes to support the Trustee, including legal research, meetings with the Debtor, interoffice conferences, and addressing issues relating to the Canadian Case.

BSSN spent 17.4 hours on this project category resulting in \$6,029.00 in associated fees.

n. Accounting/Auditing

This project category relates to time spent by BSSN relating to the audit performed by Baker Newman & Noyes, LLC.

BSSN spent 1.9 hours on this project category resulting in \$342.00 in associated fees.

o. Tax Issues

This project category relates to time spent by BSSN on issues involving tax services for the Debtor

BSSN spent 1.4 hours on this project category resulting in \$381.50 in associated fees.

ACTUAL AND NECESSARY DISBURSEMENTS

28. As set forth on **Exhibit A** attached hereto, BSSN has disbursed \$4,260.58 as expenses incurred in providing professional services during the Compensation Period. The expenses incurred arise from Federal Express charges, filing fees, transcript and court reporter expenses, and travel expenses. These expenses represent the out-of-pocket disbursements incurred during the regular course of the provision of legal services.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

29. 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). The Court may, on its own motion or an objection filed by a party in interest, “award compensation that is less than the amount of compensation that is requested.” 11 U.S.C. § 330(a)(2). 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.

11 U.S.C. §§ 330(a)(3)(A–F).

30. BSSN submits that the services for which it seeks compensation in this Fee Application were necessary for and beneficial to the Debtor's estate. The services rendered by BSSN 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 Debtor.

31. The work conducted was carefully assigned to appropriate professionals or paraprofessionals according to the experience and level of expertise required for each particular task. Whenever possible and where appropriate, BSSN sought to minimize the costs of its services by utilizing associates and paraprofessionals.

32. In sum, the services rendered by BSSN were necessary and beneficial to the Debtor 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.

CONCLUSION

WHEREFORE, BSSN 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 in the amount of \$282,287.50 and reimbursement of expenses in the amount of \$4,260.58; and (b) granting such other and further relief as the Court deems just and proper.

DATED: October 24, 2014

**BERNSTEIN, SHUR, SAWYER &
NELSON, P.A.**

By:

/s/ Sam Anderson
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Trustee of Montreal Maine & Atlantic
Railway, Ltd.*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670

Chapter 11

NOTICE OF HEARING

Bernstein, Shur, Sawyer & Nelson, P.A. ("Bernstein Shur"), counsel to Robert J. Keach, the duly appointed Chapter 11 trustee (the "Trustee") of the bankruptcy estate of Montreal Maine & Atlantic Railway, Ltd. (the "Debtor"), has filed a Second Interim Application for Compensation and Reimbursement of Expenses for Bernstein, Shur, Sawyer & Nelson, P.A., as Counsel to the Trustee, Robert J. Keach, for the Period from May 1, 2014 Through September 30, 2014 (the "Application"). A hearing on the Application is set to take place at the United States Bankruptcy Court, 202 Harlow Street, Bangor, Maine on **November 18, 2014 at 10:00 a.m.** (the "Hearing").

By the Application, Bernstein Shur seeks a total amount of \$286,548.08, which includes \$282,287.50 for compensation of professional fees and \$4,260.58 for reimbursement of expenses incurred with respect to services rendered on behalf of the Trustee during the period May 1, 2014 through September 30, 2014 (the "Compensation Period"). Bernstein Shur seeks an order authorizing and approving this compensation for fees and expenses incurred during the Compensation Period on an interim basis. The Application is an interim fee application.

On May 12, 2014, Bernstein Shur filed the First Interim Fee Application for Compensation and Reimbursement of Expenses for Bernstein, Shur, Sawyer & Nelson, P.A., as Counsel to the Trustee, Robert J. Keach, for the Period of August 21, 2013 Through April 30, 2014 [Docket No. 870] (the "First Fee Application"). With respect to the First Fee Application, the court awarded Bernstein Shur fees in the amount of \$1,019,528.40 and expenses in the amount of \$28,169.42.

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 **November 10, 2014**, 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: October 24, 2014

BERNSTEIN, SHUR, SAWYER & NELSON, P.A.

By: /s/ Sam Anderson
D. Sam Anderson, Esq.
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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670

Chapter 11

**ORDER GRANTING SECOND INTERIM APPLICATION FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR BERNSTEIN, SHUR, SAWYER &
NELSON, P.A., AS COUNSEL TO THE TRUSTEE, ROBERT J. KEACH,
FOR THE PERIOD FROM MAY 1, 2014 THROUGH SEPTEMBER 30, 2014**

This matter having come before the Court on the Second Interim Application for Compensation and Reimbursement of Expenses for Bernstein, Shur, Sawyer & Nelson, P.A., as Counsel to the Trustee, Robert J. Keach, for the Period from May 1, 2014 Through September 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.¹
2. In relation to the Compensation Period and, pursuant to 11 U.S.C. § 331, Bernstein, Shur, Sawyer & Nelson, P.A. (“BSSN”) is allowed compensation for services to the Trustee in the aggregate amount of **\$286,548.08**, including professional fees in the amount of \$282,287.50 and reimbursement of expenses in the amount of \$4,260.58.

¹ 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:

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